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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
18TH DAY OF JANUARY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of January 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:05 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

CONTINUED FROM THE DECEMBER 7, 2004 COMMISSION MEETING

- 3 (a) Resolution No. 143-2004, Adoption of the five-year implementation plan for the South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Marty Cerles, Antoinetta Stadlman III, Sam Patel, Henry Karnilowicz

Commissioner Singh inquired about several letters from property owners in the South of Market regarding eminent domain.

Executive Director Rosen stated she was aware of the letters regarding eminent domain, which was not before the Commission. Ms. Rosen stated the five-year implementation plan for South of Market was what was before the Commission. Ms. Rosen stated that the issue of limitations on the use of eminent domain was not on the Agenda, and when the proposed Plan Amendment comes before the Commission for consideration, or if the Commission requested, staff would provide additional information regarding the use of eminent domain. Ms. Rosen added that in any event, eminent domain would only be used in extreme circumstances, as approved by the Commission.

Commissioner Singh stated he wanted to reassure property owners that eminent domain would only be used in very limited cases. Mr. Singh put forth a motion to adopt item 3(a).

Commissioner Dunlop seconded Commissioner Singh's motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 3(a) RESOLUTION NO. 143-2004, ADOPTION OF THE FIVE-YEAR IMPLEMENTATION PLAN FOR THE SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of December 7, 2004

4 (b) Resolution 1-2005, Authorizing a First Amendment to the Tax Increment Loan Agreement with Mercy Housing California XIV, a California limited partnership, to revise the schedule of performance for the development of approximately 126 very low income family rental units, and one manager's unit, at 10th and Mission Streets, Block 3508, Lots 51, 26 and 27; Mid-Market Redevelopment Survey Area

4 (c) Resolution No. 2-2005, Authorizing a First Amendment to the Tax Increment Grant Agreement with Mercy Housing California, a California nonprofit, public benefit corporation, to revise the schedule of performance for the development of approximately 103 very low income senior rental units, and one manager's unit, at 9th and Jessie Streets, Block 3508, Lots 51, 26 and 27; Mid-Market Redevelopment Survey Area

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4(a) APPROVAL OF MINUTES: MEETING OF DECEMBER 7, 2004 (MR. DUNLOP ABSTAINED), 4(b) RESOLUTION 1-2005, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA XIV, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF APPROXIMATELY 126 VERY LOW INCOME FAMILY RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 10TH AND MISSION STREETS, BLOCK 3508, LOTS 51, 26 AND 27; MID-MARKET REDEVELOPMENT SURVEY AREA, AND 4 (c) RESOLUTION NO. 2-2005, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT GRANT AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT, PUBLIC BENEFIT CORPORATION, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF APPROXIMATELY 103 VERY LOW INCOME SENIOR RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 9TH AND JESSIE STREETS, BLOCK 3508, LOTS 51, 26 AND 27; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

REGULAR AGENDA

Items 4 (d) through 4 (h) were presented together and acted upon separately.

- 4 (d)** Resolution No. 3-2005, Public hearing and Adopting environmental findings pursuant to the California Environmental Quality Act and authorizing the Executive Director to execute a First Amendment to the Disposition and Development Agreement Hunters Point Shipyard Phase I between the Agency and Lennar/BVHP, LLC, and to transfer by quitclaim deed Parcel A-1 and Parcel A-2 of the Hunters Point Naval Shipyard to Lennar/BVHP, LLC upon the satisfaction of conditions to closing under the Disposition and Development Agreement Hunters Point Shipyard Phase I; Hunters Point Shipyard Redevelopment Project Area
- 4 (e)** Resolution No. 4-2005, Authorizing the Executive Director to execute an Interagency Cooperation Agreement with the City and County of San Francisco; Hunters Point Shipyard Redevelopment Project Area
- 4 (f)** Resolution No. 5-2005, Declaring the intention to establish Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area

- 4 (g) Resolution No. 6-2005, Declaring the intent to incur bonded indebtedness of the proposed Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), Hunters Point Shipyard Redevelopment Project Area
- 4 (h) Resolution No. 7-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and authorizing a first amendment to the Hunters Point Shipyard Design for Development; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne Sakai, Mario Menchini, Jose Campos (Agency staff)

Speakers: Scott Madison, Francisco Da Costa, Dorris M. Vincent, John Scott, Rev. Arelious Walker, Ellouise Patton, Saul Bloom, Olin Webb, Azalia Merrell, Linda Richardson, Will Bass, Jim Salinas, Sr., Calvin Jones

Commissioner King put forth a motion to adopt item 4 (d) and recalled the selection of Lennar/BVHP as the master developer of the Shipyard and that he made the motion to select Lennar/BVHP instead of Forest City. Mr. King stated he recalled advising Lennar/BVHP to work with the community in Bayview Hunters Point to obtain its support and give the community first choice in the jobs that would be created as well as development opportunities in the Shipyard. Mr. King stated he was happy to see that Lennar/BVHP had continued its commitment to the community.

Commissioner Yee seconded Commissioner King's motion to adopt item 4 (d). Mr. Yee asked how many acres comprised Parcel A-East. Mr. Yee asked when start of construction was scheduled for the 1,600 housing units on Parcel A. Mr. Yee recalled testimony that the proposed 40 changes to the DDA were not brought to the community for discussion and asked the Executive Director for a response.

Ms. Joanne Sakai, Deputy Executive Director for Community and Economic Development, stated that the total acreage for Parcels A-1 and A-2 was 75 acres. Ms. Sakai stated that the Mello-Roos bonds were scheduled to be issued in March 2005, which would be followed by the deconstruction and abatement as well as the grading work. Staff anticipated the sale of the first lot in November 2005, and the first vertical development would follow thereafter. Ms. Sakai added that the first development would occur in the gateway area along Innes Avenue so that construction activity would be seen as people approached the Shipyard.

Executive Director Rosen stated that all of the changes to the DDA had been discussed at the three previous Commission workshops as well as meetings conducted by the CAC. Ms. Rosen stated the CAC ensured public

participation by holding Saturday and breakfast meetings to accommodate all interested members of the public. Ms. Rosen assured the Commission that all of the changes had been thoroughly publicly vetted at duly noticed meetings.

Commissioner Palamountain stated the progress that had been made for the Shipyard showed great potential, but it was not yet a reality and it was important for the Agency and the community to continue its diligence to ensure that the great potential would be realized. Ms. Palamountain stated she felt an indebtedness in particular to the CAC and the community in general for their hard work, specifically Scott Madison, Saul Bloom, Dorris Vincent and Marcia Dale-Le Winter and the rest of the CAC for being the safeguards for the community. Ms. Palamountain stated the CAC had her great respect and sincere appreciation for its dedication and commitment to the development of the Shipyard. Ms. Palamountain stated she believed that the CAC's requests for changes on the DDA were very reasonable, including the request for an earthquake disaster response plan. Ms. Palamountain stated that in order for the CAC to continue its role in monitoring the progress of the Shipyard development, it was necessary and appropriate to provide funding for outreach purposes. Ms. Palamountain requested Agency staff for a monthly update both on the earthquake disaster response plan and the funding issues for the CAC. Ms. Palamountain inquired about the conflict resolution issues with the CAC and asked if there were provisions included in a contractual document. Ms. Palamountain inquired about the waiver of including the physical Design for Development document in the DDA and recalled that the Agency had past challenges with unclear operating documents.

Ms. Sakai stated there were provisions included in both the horizontal and vertical DDA that addressed issues related to resolving development and construction matters for not only the Agency, but other City departments as well. Ms. Sakai stated that if there was a complaint brought to the Agency's attention, the DDA had a "meet and confer" provision, which would include the complainant, the developer and Agency staff in order to resolve the issue. Ms. Sakai stated that the Design for Development was specifically referred to in the DDA as a guiding document and would be referred to in the review process of development. The Design for Development would be incorporated by reference and recorded separately.

Commissioner Palamountain stated she understood, but was concerned with how to ensure that all of the City departments in the cooperation agreement were aware of all of the respective responsibilities and how the process of resolving disputes would be managed.

Executive Director Rosen stated that the Design for Development would be the Agency's regulatory framework for the vertical development in the

Shipyards. Ms. Rosen stated the Agency would be the lead in implementing the Design for Development and the Commission would approve all of the land use entitlements, and so the Agency would have control of the Design for Development. Ms. Rosen stated there would be different roles for each City department, where the Building Department would issue the building permits following approval by the Agency Commission, and the Agency would monitor and maintain good communications with all involved City departments throughout the development process.

Ms. Sakai added that under the DDA, there would be a design review process for each vertical development similar to other redevelopment projects, and the Commission would review and approve the basic concept and schematic designs pursuant to the provisions of the Design for Development.

Commissioner Palamountain asked if there was a current cost estimate of the horizontal development for Parcel A. Ms. Palamountain asked if the CEQA analysis for the Shipyards was cumulative or on a project-by-project basis, and how future development would be environmentally reviewed to comply with CEQA. Ms. Palamountain requested verification that the Agency parcels would be exempt from the Mello Roos tax assessment. Ms. Palamountain asked if the inclusionary units for privately developed housing units be subject to the Mello Roos tax assessment.

Mr. Kurt Fuchs from the Mayor's Office of Base Reuse and Development, stated the current cost estimate for the horizontal development for Parcel A was \$102 million.

Ms. Elaine Warren, Deputy City Attorney, stated that in the future, the analysis would look at what had already been developed, underway and planned and would update and conduct the necessary environmental analysis to keep the project area in compliance with CEQA.

Ms. Sakai affirmed that the Agency parcels would be exempt from the Mello Roos tax assessment. Ms. Sakai stated that the all inclusionary for-sale affordable housing units would be subject to the Mello Roos tax assessment. Ms. Sakai added that the bond documents provide a cap on the percentage at which any parcel may be assessed for repayment of the Mello Roos bonds, and in addition the proposed community facilities district may not assess more than what was needed to be financed during a particular year.

Mr. David Sobel, Senior Development Specialist, stated the Agency used a calculation based on 33% targeted monthly income levels, and attribute that percentage of income to all housing costs, so in the case of a home with a Mello Roos tax on it, that would be calculated into the total property tax,

which get deducted from the 33% monthly income, which helped the Agency to arrive at a supportable mortgage and would be factored in the affordable sales price.

Commissioner Palamountain asked if there was any way of assessing adjoining parcels in the future that may benefit from infrastructure improvements on Parcel A through the community facilities district.

Ms. Sakai stated she understood that if any other parcel benefit from infrastructure improvements on Parcel A, it would be possible to expand the community facilities district, subject to the assessment.

Mr. Chris Lynch, bond counsel, affirmed that the community facilities district could be expanded and the Agency would be able to levy assessments on other parcels benefiting from infrastructure improvements resulting from the initial community facilities district.

Commissioner Palamountain stated she would support the items before the Commission and thanked staff and the community for all of its hard work.

Commissioner Yee requested clarification that the estimated cost for the horizontal development of \$102 million was for Parcel A East only.

Mr. Kurt Fuchs stated that the \$102 million cost estimate was for the entire parcel, Parcels A East and A West.

President Romero congratulated and thanked Agency and City staff as well as the community on the significant progress made on the development of the Hunters Point Shipyard.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 3-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE I BETWEEN THE AGENCY AND LENNAR/BVHP, LLC, AND TO TRANSFER BY QUITCLAIM DEED PARCEL A-1 AND PARCEL A-2 OF THE HUNTERS POINT NAVAL SHIPYARD TO LENNAR/BVHP, LLC UPON THE SATISFACTION OF CONDITIONS TO CLOSING UNDER THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE I; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 4-2005, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN INTERAGENCY COOPERATION AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 5-2005, DECLARING THE INTENTION TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 6-2005, DECLARING THE INTENT TO INCUR BONDED INDEBTEDNESS OF THE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS), HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 7-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING A FIRST AMENDMENT TO THE HUNTERS POINT SHIPYARD DESIGN FOR DEVELOPMENT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution No. 8-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and authorizing a Third Amendment to the Mission Bay North Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay North Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Vernel Primus, Mario Zuniga

Commissioner Yee recalled that Catellus recently sold certain parcels in Mission Bay and asked if staff knew the purchase price. Mr. Yee requested verification that the Mission Place project was being converted to condominiums, and that the new owner would provide a grant to the below market-rate units that would amount to five percent of the purchase price, in the form of a down payment.

Ms. Amy Neches, Senior Project Manager, stated the undeveloped parcels recently sold by Catellus did not include the Mission Place property and the purchase price for the sale of Mission Place was not known. Ms. Neches affirmed that the new owner intended to convert the rental project into condominiums, and the new owner had agreed to provide a grant in an amount that represented five percent of the purchase price to the nine below market rate tenants, as a form of down payment assistance. Ms. Neches stated that the nine below market rate tenants would finance 95% of the purchase price and would be responsible for the closing costs.

Commissioner Yee put forth a motion to adopt item 4 (i).

Commissioner Dunlop seconded Commissioner Yee's motion and stated the project was a great opportunity for homeownership especially for the below market rate tenants. Mr. Dunlop thanked the tenants for coming to the meeting and testifying.

President Romero likewise thanked the tenants for taking the time to come to the Commission meeting.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 8-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING A THIRD AMENDMENT TO THE MISSION BAY NORTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Resolution No. 9-2005, Adopting findings related to the certification of a final supplement to a Final Environmental Impact Report for the proposed South of Market Redevelopment Plan Amendment and Project Area, generally bounded by Stevenson, Mission, and Natoma Streets on the north, Fourth and Fifth Streets on the east, Harrison Street on the South and Seventh Street on the west, encompassing eight assessor's blocks, in portion or entirety, as follows: 3703, 3704, 3726, 3731, 3732, 3753 and 3754; South of Market Earthquake Recovery Project Area

Presenters: Lisa Zayas-Chien (Agency staff)

Speakers: Marty Cerles, Antoinetta Stadlman, Patty Sokolecki, Brian Egg, Victor Gilbert, Jeremy Meyer, Wilma Parker, Henry Karnilowicz, Angus McCarthy, David Wilbur, Mahindra Dave

President Romero stated he wanted to explain the process of how the Commission meetings were conducted because of allegations by some members of the public that they were not allowed to speak and address the Commission. Mr. Romero stated the Commission employed the same process, which began with the Commission Secretary calling the item, followed by staff presentation, then public comment, followed by deliberations by the Commission and a vote on the matter at hand. Mr. Romero stated that some members of the public filled out speaker cards and after the speaker cards were exhausted, he always asked if there were other members of the public that did not fill out speaker cards who wished to address the Commission. Mr. Romero stated he did that for every item on the Agenda including item 3 (a), the item related to the five-year implementation plan for South of Market.

Commissioner Dunlop put forth a motion to adopt item 4 (j). Mr. Dunlop stated that the item 4 (j) was to adopt findings related to the certification of a final supplement to the Final EIR for the proposed South of Market Redevelopment Plan Amendment and not the plan amendment itself, which would come before the Commission in the near future. Mr. Dunlop stated there would be plenty of opportunity to comment on the proposed plan amendment in the coming months when it is scheduled before the Commission and the Board of Supervisors, and the Commission would definitely like to hear from the public about its concerns. Mr. Dunlop stated that staff worked diligently to respond to concerns of the public and staff was always available to meet and work with members of the community. Mr. Dunlop urged members of the public to acquaint themselves with the process because it was important to understand the public process in the adopting of the proposed plan amendment. Mr. Dunlop agreed that property owners had the right to be concerned with eminent domain, but assured them that in his eight years as Commissioner, the Agency had not acquired private property with eminent domain, so property owners should not be concerned about eminent domain unless their property was in such disrepair that it posed a public safety hazard.

Commissioner Yee stated he personally appreciated property owners from South of Market who came to the meeting and informed the Commission of their concerns. Mr. Yee stated he understood that the matter before the Commission did not involve the use of eminent domain and asked the Executive Director to provide further clarification.

Executive Director Rosen stated that item 4 (j) was to adopt findings related to the certification of a final supplement to a Final EIR for the proposed South of Market Redevelopment Plan Amendment. Neither the plan amendment nor a policy on the use of eminent domain was before the Commission. Ms. Rosen stated that some members of the public had referred to a report about blight findings within the project area and that too,

was not before the Commission. The Supplement to the Final EIR, which was published and heard by both the Planning and Agency Commissions was the document referred to on item 4 (j).

Commissioner Yee recalled testimony from a member of the public that notices of the Agency Commission meeting were received late, and asked if the Agency had complied with noticing requirements prescribed by law.

Executive Director Rosen stated that pursuant to the Brown Act, the agenda was posted the Friday before the Commission meeting on Tuesday as well as posted on the Agency's website and mailed to individuals that requested the agenda. The notification and posting requirements described by Ms. Lisa Zayas-Chien was for the publication of the Final EIR and was in accordance with the noticing requirements of CEQA.

Commissioner Palamountain stated she recalled previous testimony by Mr. Angus McCarthy two years ago regarding serious concerns he had about the plan amendment process, and she was glad to see and hear from Mr. McCarthy and acknowledged his hard work on the plan amendment. Ms. Palamountain stated she accepted Mr. McCarthy's invitation to the Commission for a less-formal discussion about concerns from the property owners specifically about the blight findings and the use of eminent domain. Ms. Palamountain stated she agreed that the Commission meeting was a cumbersome forum to have a meaningful discussion with the Commission, so she encouraged concerned property owners to work with Mr. Mike Grisso to schedule a meeting where she could hear the concerns from property owners. Ms. Palamountain stated she would like the property owners to maintain an open mind and work cooperatively with the Agency because members of the PAC in particular, had done a remarkable job in working through some very difficult issues in South of Market. Ms. Palamountain stated redevelopment would provide benefits that would improve a neighborhood and bring new investment opportunities in the neighborhood that would result in increased property values and enhanced social services. Ms. Palamountain stated that the testimony from the public was about the proposed plan amendment and she was committed to meeting and listening to concerned members of the community, but the plan amendment was not before the Commission. Ms. Palamountain stated item 4 (j) was to adopt findings related to the certification of a final supplement to a Final EIR for the proposed South of Market Redevelopment Plan Amendment, and she had not heard any testimony about the Final EIR, and believed that staff followed the environmental review process. Ms. Palamountain stated she would support item 4 (j) and seconded Commissioner Dunlop's motion to adopt item 4 (j).

Commissioner Singh stated that as he had always said in the past, he was against the use of eminent domain, and believed that staff had followed the

procedures on the Final EIR. Mr. Singh stated he would support the adoption of item 4 (j).

President Romero stated he wanted to call the Commissioners' attention to a letter sent by Mr. Charles Range, Executive Director of the South of Market Health Center and Vice-President of the South of Market PAC, and read the letter into the record (copy attached). Mr. Romero stated this was not the first time there was controversy in South of Market and unfortunately, the debate centered on matters not before the Commission's consideration. Mr. Romero stated it was very difficult to judge the merits of testimony from a few members of the public if they in fact represented the sentiments of a majority of the community, and the only way he had found to see if the testimony given had merit was if it was focused on the substance of the matter before the Commission. Mr. Romero stated it would be more effective if the testimony given was not emotional and cantankerous and presented at the appropriate time when the matter such as the proposed plan amendment or eminent domain was before the Commission, because he was not sure how much credence to give to testimony that was not relevant to items before the Commission. Mr. Romero stated that the PAC had worked very hard on all of the matters relating to the plan amendment, but it was not before the Commission, and he had not heard any testimony that would make him not vote for the Final EIR. Mr. Romero stated he would support the adoption of item 4 (j).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 9-2005, ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL SUPPLEMENT TO A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED SOUTH OF MARKET REDEVELOPMENT PLAN AMENDMENT AND PROJECT AREA, GENERALLY BOUNDED BY STEVENSON, MISSION, AND NATOMA STREETS ON THE NORTH, FOURTH AND FIFTH STREETS ON THE EAST, HARRISON STREET ON THE SOUTH AND SEVENTH STREET ON THE WEST, ENCOMPASSING EIGHT ASSESSOR'S BLOCKS, IN PORTION OR ENTIRETY, AS FOLLOWS: 3703, 3704, 3726, 3731, 3732, 3753 AND 3754; SOUTH OF MARKET EARTHQUAKE RECOVERY PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Brian Egg

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

Executive Director Rosen stated she wanted to assure the Commission regarding the South of Market, that staff had continued to work with the concerned property owners to hear and resolve issues, and she as well as Deputy Executive Directors was also available to meet with property owners to work through the plan amendment process.

- The Agency was notified that it had won a California Redevelopment Association (CRA) Award of Excellence for the Fillmore Jazz Preservation District Promotions Office and its activities. Ms. Rosen stated she would have the honor of receiving that award at the CRA annual conference on March 9, 2005. Congratulations were in order for the Western Addition CAC, the community, the Fillmore Jazz Preservation District and the Promotions Office.
- Board of Supervisors at its meeting of January 11, 2005, voted unanimously to adopt the SB 2113 ordinance, which would expand the Agency's debt capacity to finance affordable housing development to compensate for the almost 7,000 housing units lost in the early years of urban renewal prior to 1976.
- At the request of the Mayor's budget office, the Agency's 2005/2006 budget workshop originally scheduled for the February 1st Commission meeting, would be rescheduled to the February 15th Commission meeting to conduct the first workshop.
- RFQ for affordable homeownership units on Parcel 2 of Block N4 and Parcel 2 of Block N4a for low- and moderate-income households.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**


- Commissioner Singh stated he appreciated the Executive Director's kind consideration and response to Commissioner Yee's questions about the issue with property owners and the use of eminent domain in South of Market.

10. **CLOSED SESSION** None.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:22 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

February 1, 2005

ATTACHMENT
01/18/05 MINUTES**South of Market**
HEALTH CENTER■ Executive Director
Charles E. Range

■ January 18, 2005

■ Honorable Ramon E. Romero
President
San Francisco Redevelopment Agency Commission
770 Golden Gate Ave
San Francisco, California 94103**RECEIVED**

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Dear Commissioners:

Today, January 18, 2005, the Commissioners will be receiving comments and responses for incorporation into the final supplement to the 1997 South of Market Final Environmental Report (FEIR). As a member of the South of Market Project Area Committee (SOMPAC), I have labored with many other SOMPAC colleagues to collectively make our recommendation to the Commission.

I would at this time like to respectfully request that the Commission approve the FEIR. I realize that there may be some individuals that may assert that they had little to no input, but if one researched the history of the horrendous number of hours and days of open public meetings the SOMPAC and its committees have hosted one would see that there have been many opportunity for input. Please do not let the assertions of a few have an overriding effect on the efforts of many.

I am proud to be a member of the SOMPAC and without any reservations I wholeheartedly believe we have performed enomorably in assuming our responsibility in recommending to the Commission a workable Plan Amendment.

I thank you for receiving my written comments.

Sincerely,

Charles E. Range
Executive Director

Vice-President - South of Market Project Area Committee

Cc: Erwin Tanjuaquio Secretary - SFRA Commission
Marcia Ban - Director - South of Market Project Area Committee
South of Market Project Area Committee Members

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
25TH DAY OF JANUARY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at San Francisco Redevelopment Agency Commission Board Room, Room 300, 770 Golden Gate Avenue, in the City of San Francisco, California, at 4:00 p.m. on the 25th day of January 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:08 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Special Meeting of December 14, 2004

- 4 (b) Resolution 10-2005, Authorizing the waiver of berthing fees for nonprofit community sailing organizations for a maximum of seven berths in South Beach Harbor; Rincon Point-South Beach Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT
CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES:
SPECIAL MEETING OF DECEMBER 14, 2004, AND 4 (b)
RESOLUTION 10-2005, AUTHORIZING THE WAIVER OF BERTHING
FEES FOR NONPROFIT COMMUNITY SAILING ORGANIZATIONS
FOR A MAXIMUM OF SEVEN BERTHS IN SOUTH BEACH HARBOR;
RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT
AREA, BE ADOPTED.

REGULAR AGENDA

Items 4 (c) through 4 (l) were presented together and acted upon separately.

- 4 (c) Resolution No. 11-2005, Adopting environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act and State CEQA Guidelines in connection with the adoption of a Redevelopment Plan for the proposed Transbay Redevelopment Project and related documents and actions; Transbay Redevelopment Project Area
- 4 (d) Resolution No. 12-2005, Approving the Transbay Redevelopment Project Implementation Agreement between the Agency and the Transbay Joint Powers Authority; Transbay Redevelopment Project Area
- 4 (e) Resolution No. 13-2005, Approving the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement between the City and County of San Francisco, the Agency and the Transbay Joint Powers Authority; Transbay Redevelopment Project Area
- 4 (f) Resolution No. 14-2005, Approving the Transbay Redevelopment Project Option Agreement for the purchase and sale of real property between the City and County of San Francisco, the Agency, and the Transbay Joint Powers Authority; Transbay Redevelopment Project Area
- 4 (g) Resolution No. 15-2005, Conditionally approving the Development Controls and Design Guidelines for the Transbay Redevelopment Project; Transbay Redevelopment Project Area
- 4 (h) Resolution No. 16-2005, Approving the Transbay Redevelopment Project Delegation Agreement between the City and County of San Francisco and the Agency; Transbay Redevelopment Project Area

- 4 (i) Resolution No. 17-2005, Conditionally approving rules governing participation by property owners and the extension of reasonable preferences to business occupants for the Transbay Redevelopment Project; Transbay Redevelopment Project Area
- 4 (j) Resolution No. 18-2005, Approving the Report on the Redevelopment Plan for the Transbay Redevelopment Project and authorizing transmittal of the Report on the Redevelopment Plan to the Board of Supervisors; Transbay Redevelopment Project Area
- 4 (k) Resolution No. 19-2005, Approving the proposed Redevelopment Plan for the Transbay Redevelopment Project and making findings under the California Environmental Quality Act and pursuant to California Health and Safety Code Sections 33445 and 33679; recommending adoption of the proposed Redevelopment Plan by the Board of Supervisors; and submitting the Agency's recommendation, including the proposed Redevelopment Plan, to the Board of Supervisors; Transbay Redevelopment Project Area
- 4 (l) Resolution No. 20-2005, Commending the Transbay Citizens Advisory Committee and expressing the intention of the Agency to consult with the committee on the implementation of the Transbay Redevelopment Project; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff), Maria Ayerdi (TJPA)

Speakers: Andrew Junius, Peter Hartman, Reed Bement, Norman Rolfe, Jim Reuben, Robert Meyers, Anthony Bruzzone, Hope Whitney, Clark Manus, Victor Gonzales, John Gasser, Steve Rudolph

Commissioner Dunlop put forth a motion to adopt item 4 (c) and thanked Agency and City staff as well as the CAC for all the hard work. Mr. Dunlop stated he thought it was amazing to have all of the parties involved in the interagency cooperation agreement and even more amazing to have a Commission meeting with no major dissenting commentary. Mr. Dunlop stated he personally did not subscribe to the one for one parking requirement for residential development, and believed that not having a minimum residential parking requirement was not a big enough issue to not go through with the plan adoption. Mr. Dunlop stated he wanted to assure Mr. Steve Rudolph that any inconsistencies or errors in the documents would be corrected and that public participation would continue throughout the plan adoption process all the way to the Board of Supervisors and beyond. Mr. Dunlop inquired about testimony regarding the historic property at 576 Folsom Street and asked if the proposed redevelopment plan called for a specific use of the property. Mr. Dunlop asked staff to address the suggestion from Mr. Jim Reuben about not counting the below market rate units against the floor area ratio of a residential development.

Mr. Mike Grisso, Project Manager, stated the speaker who testified regarding 576 Folsom requested that the property be excluded from the project area boundary because the property had been seismically retrofitted. Mr. Grisso stated that in the first place, the historic nature of the property did not affect the blight survey of the property. Pursuant to the California Redevelopment Law and opinion of the Agency's blight consultant, an unreinforced masonry building, which 576 Folsom is, whether it is historic or not, is considered a blighting condition because it could still pose a safety hazard during a strong earthquake. Mr. Grisso stated that the proposed redevelopment plan did not call for a specific use of the property and in fact, the plan called for the preservation and conservation of all historic properties. Mr. Grisso stated the suggestion from Mr. Jim Reuben to not count below market rate units against the floor area ratio was just presented to staff one week ago, and staff only had preliminary discussions on the matter. Mr. Grisso stated that staff would look at the issue in more detail.

Commissioner Dunlop stated he felt that the suggestion of developing off-site affordable housing was contrary to the concept of redevelopment and that it would not seem to work. Mr. Dunlop thanked staff and everyone involved and stated this was truly a historic event and looked forward to the Transbay Terminal becoming a reality.

Commissioner Yee recalled earlier testimony about the property located at 576 Folsom Street, a historic property that the property owner had spent millions of dollars to retrofit, and asked if the property was to be acquired in the future, would the Agency pay for the money spent in retrofitting the building.

Executive Director Rosen stated that because a property was included in a project area, it did not mean that the property would be acquired. There was no proposal to acquire the property and if the property were to be acquired in the future, the law would govern how the property was valued.

Commissioner Yee stated he was concerned with protecting the rights of property owners and urged staff to work cooperatively with all concerned property owners.

Commissioner Palamountain stated she agreed with Mr. Clark Manus' statement that the Agency and City were embarking on something profound in the adoption of the proposed redevelopment plan for Transbay. Ms. Palamountain stated that in her deliberations on the Transbay plan documents, she considered several key factors – the voter-approved Proposition H and K that mandated a multi-modal transit facility in San Francisco, that the use redevelopment was appropriate as well as the use of tax increment for the purposes defined, and the support of nearby communities for the proposed project area in Transbay. Ms. Palamountain asked the following clarifying questions: (1) in the Tax Increment and Sales

Proceeds Pledge Agreement, the amounts identified as payments by the Agency to all governmental agencies, which would be excluded from the net tax increment, were these payments the “pass-through” payments discussed in the financing section of the report on the plan; (2) was the pledge of net tax increment and gross sales proceeds a requirement of State law; (3) would tax increment be generated from the whole 40-acre project area, comprising of zones 1 and 2; (4) would zone 2 be under the jurisdiction of the Planning Department; (5) was the exempted tax increment from other project areas (Section 9 of the Tax Agreement) referring to the tax increment from the central freeway parcels; (6) explanation of Section 5.2 of the Tax Agreement regarding the Agency’s right to determine net tax increment due; (7) explanation of Section 7 of the Report on the Plan dealing with tax increment projection of 5.5% and the feasibility analysis of the proposed project area; (8) explanation of growth assumptions in Section 2, reassessment adjustment of the Report on the Plan; (9) verification that the proposed project area was estimated to generate \$2.3 billion of tax increment for the life of the project area; (10) would the Agency be reimbursed for work related to the State-owned parcels, by the TJPA; (11) would the proposed streetscape and open space programs be funded with tax increment from the non-State parcels; (12) given the State budget crisis and recent proposals to restrict the allocation of tax increment to redevelopment agencies in the State, had there been discussions about the Agency’s burdens and responsibilities to address such restrictions; (13) if the Agency had incurred debt for Transbay, would that debt be subject to restrictions on the allocation of tax increment; (14) verification that the terminal project was just a proposal; and (15) verification that after a final design was completed for the terminal project, any cost overruns would not affect the Agency’s financial obligations beyond the net tax increment pledged for the State-owned parcels.

Mr. Mike Grisso affirmed that (1) amounts identified as payments by the Agency to all governmental agencies, which would be excluded from the net tax increment, were the “pass-through” payments to taxing agencies. (2) The pledged tax increment and sales proceeds was the subject of a cooperative agreement between the State, TJPA and the City, and the transfer of the parcels was conditioned on the cooperative agreement. It was not a law passed the State legislature; it was an agreement that the State entered into with the City and TJPA. (3) Tax increment would be generated from the whole 40-acre project area, with the net tax increment for the approximately 10 acres of State-owned parcels pledged for the terminal. (4) Zone 2 would be under the land use jurisdiction of the Planning Department, with a few exceptions. Zone 1 would come under the Agency’s land use jurisdiction.

Ms. Heidi Gewertz, Senior Attorney, stated that (5) the Section 9 of the Tax Agreement was not referring to the tax increment from the central freeway parcels specifically, but was a recognition that no other tax increment from other redevelopment project areas would be pledged to the Transbay Terminal project. (6) Section 5.2 dealt with the assembly or consolidation of irregularly shaped parcels to determine tax increment due to the Agency

and net tax increment from State-owned parcels to be pledged for the Transbay Terminal project.

Mr. Mike Grisso stated that (7) the feasibility analysis used a standard assumption for redevelopment project tax increment projection of 5.5%. (8) The reassessment adjustment was meant to reflect annual reassessments of property values in Transbay, and assumed there would not be a lot of changes in property values for properties that remain static and would not change hands until 2014 or 2015, and after development occurred, the assumption would be a one percent reassessment of property values. (9) \$2.3 billion tax increment estimated as future or nominal dollars for the life of the project based upon a \$438 million estimate for the 2004/2005 fiscal year. (10) The Agency would be reimbursed by the TJPA for all work in preparing and developing the State-owned parcels. The precise method for the reimbursement would have to be finalized, but Agency staff anticipated submitting monthly invoices for reimbursement. (11) The proposed streetscape and open space programs would be funded from tax increment from non-State parcels, and the reimbursement monies would be used for such non-housing and non-terminal programs.

Executive Director Rosen stated (12) there currently was no proposal to restrict the allocation of tax increment to redevelopment agencies. There is however, a restriction on the use of tax increment other than the 20% set-aside for affordable housing development, which could be spent anywhere in the jurisdiction, otherwise the cost of implementing a project area could only be used from tax increment generated from within that project area. If no tax increment was generated because of a law change, then the Agency would not be able to fund the specified program, unless other funding sources were made available. Ms. Rosen stated the Governor's proposal for the 2005/2006 fiscal year did include another Educational Revenue Augmentation Fund (ERAF) swap at the same amount as the current (2004/2005) fiscal year. (13) The tax increment necessary to pay for debt incurred by the Agency could not be impaired by a change in the law.

Mr. Mike Grisso stated (14) the TJPA in April 2003, did adopt a Transbay Terminal project, for which a Final EIR was certified by the TJPA, Planning and Agency Commissions. The TJPA adopted the Second Street to Main Street Alignment as the terminal project, but the final design of the terminal project had not yet been finalized. Mr. Grisso affirmed (15) the Agency's obligations were limited to the net tax increment pledged for the State-owned parcels.

Commissioner Yee asked who determined that Zone 2 of the proposed project area would be under the jurisdiction of the Planning Department.

Mr. Mike Grisso stated Agency staff made the recommendation based upon discussions and planning for the project area with the Planning Department. Mr. Grisso clarified that there would be a few number of projects within Zone 2 where there was Agency participation, that would be approved by the Agency.

Executive Director Rosen added that the delegation agreement for the administration of land use and design for Zone 2 by the Planning Department was based upon discussions with the Mayor's Office on how best to carry out the implementation of the proposed Transbay project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 11-2005, ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND STATE CEQA GUIDELINES IN CONNECTION WITH THE ADOPTION OF A REDEVELOPMENT PLAN FOR THE PROPOSED TRANSBAY REDEVELOPMENT PROJECT AND RELATED DOCUMENTS AND ACTIONS; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 12-2005, APPROVING THE TRANSBAY REDEVELOPMENT PROJECT IMPLEMENTATION AGREEMENT BETWEEN THE AGENCY AND THE TRANSBAY JOINT POWERS AUTHORITY; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 13-2005, APPROVING THE TRANSBAY REDEVELOPMENT PROJECT TAX INCREMENT ALLOCATION AND SALES PROCEEDS PLEDGE AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, THE AGENCY AND THE TRANSBAY JOINT POWERS AUTHORITY; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 14-2005, APPROVING THE TRANSBAY REDEVELOPMENT PROJECT OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, THE AGENCY, AND THE TRANSBAY JOINT POWERS AUTHORITY; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 15-2005, CONDITIONALLY APPROVING THE DEVELOPMENT CONTROLS AND DESIGN GUIDELINES FOR THE TRANSBAY REDEVELOPMENT PROJECT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 16-2005, APPROVING THE TRANSBAY REDEVELOPMENT PROJECT DELEGATION AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE AGENCY; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 17-2005, CONDITIONALLY APPROVING RULES GOVERNING PARTICIPATION BY PROPERTY OWNERS AND THE EXTENSION OF REASONABLE PREFERENCES TO BUSINESS OCCUPANTS FOR THE TRANSBAY REDEVELOPMENT PROJECT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 18-2005, APPROVING THE REPORT ON THE REDEVELOPMENT PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AND AUTHORIZING TRANSMITTAL OF THE REPORT ON THE REDEVELOPMENT PLAN TO THE BOARD OF SUPERVISORS; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 19-2005, APPROVING THE PROPOSED REDEVELOPMENT PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33445 AND 33679; RECOMMENDING ADOPTION OF THE PROPOSED REDEVELOPMENT PLAN BY THE BOARD OF SUPERVISORS; AND SUBMITTING THE AGENCY'S RECOMMENDATION, INCLUDING THE PROPOSED REDEVELOPMENT PLAN, TO THE BOARD OF SUPERVISORS; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (I) RESOLUTION NO. 20-2005, COMMENDING THE TRANSBAY CITIZENS ADVISORY COMMITTEE AND EXPRESSING THE INTENTION OF THE AGENCY TO CONSULT WITH THE COMMITTEE ON THE IMPLEMENTATION OF THE TRANSBAY REDEVELOPMENT PROJECT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Romero informed the Commission of the death of Deputy Executive Director Ayisha Benham's son, Mr. Charles Benham, and requested that the special meeting of January 25, 2005 be adjourned in his memory.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Notre Dame Apartments Rededication ceremony on February 3rd, from 10:30 a.m. to 12:30 p.m., 1590 Broadway at Van Ness Avenue.
- Powell's Place Grand Re-Opening on February 12th, from 12:00 noon to 3:00 p.m., 1521 Eddy Street at Fillmore Street.
- Avalon Mission Bay groundbreaking ceremony on February 17th, from 3:30 to 4:30 p.m., 255 King Street.

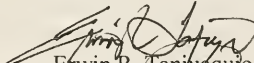
9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:46 p.m. The January 25, 2005 special meeting was adjourned in the memory of Mr. Charles Benham.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

February 15, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
1ST DAY OF FEBRUARY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of February 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:05 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of January 18, 2005

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 18, 2005, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 21-2005, Approving the proposed Seventh Amendment to the Redevelopment Plan for the Western Addition Redevelopment Project Area A-2 and related documents, for consideration by the Board of Supervisors; Western Addition Redevelopment Project Area A-2

Presenters: Nicole Franklin (Agency staff)

Speakers: Jonathan Fearn, Daniel Landry, Rev. Arnold Townsend

Commissioner King put forth a motion to adopt item 4 (b).

Commissioner Dunlop seconded Commissioner King's motion and thanked staff for all the hard work.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 21-2005, APPROVING THE PROPOSED SEVENTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 AND RELATED DOCUMENTS, FOR CONSIDERATION BY THE BOARD OF SUPERVISORS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (c)** Resolution No. 22-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the combined basic concept and schematic design for Parcel 1 of Block N4a, a residential project in the Mission Bay North Redevelopment Project Area, pursuant to an Owner Participation Agreement with FOCIL-MB; Mission Bay North Redevelopment Project Area

Presenters: Tom Evans (Agency staff), Chek Teng (Architect)

Speakers: Corinne Woods

Commissioner Yee stated the project had an attractive and beautiful design, and put forth a motion to adopt item 4 (c). Mr. Yee requested verification that the project included 20% affordable housing.

Mr. Tom Evans, Assistant Project Manager, stated that the project did not include inclusionary affordable housing units, but the whole Mission Bay project area included 20% affordable housing development.

Commissioner Dunlop seconded Commissioner Yee's motion to adopt item 4 (c) and thanked Ms. Corinne Woods for her advocacy and staff for its hard work.

Commissioner Singh stated he thought it was a good project, but agreed with Ms. Corinne Woods that there was not enough retail in the project and he would like to see more retail development in the project area.

Mr. Tom Evans stated that staff had seriously looked at retail development and it would be difficult for the developer to include a larger retail component for the proposed development, but had already revised the plans to include a 450 square-foot retail space to address the concerns raised by the Citizens Advisory Committee (CAC). Mr. Evans stated there were plans for larger retail spaces across the street for another development that was approved by the Commission that would provide neighborhood-serving retail.

President Romero stated the project had a very attractive design and the developer had a good response to the concern by the CAC regarding retail.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 22-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR PARCEL 1 OF BLOCK N4A, A RESIDENTIAL PROJECT IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d)** Workshop on the proposed Model Block Program; Bayview Hunters Point Redevelopment Survey Area

Presenters: David Sobel (Agency staff)

Speakers: Bennett Warren, Charlie Walker, Lavonne Barnes

Commissioner Palamountain stated her strong endorsement for the proposed model block program and thanked members of the Project Area Committee (PAC) and staff for developing a different model of redevelopment as

opposed to large-scale development programs such as Transbay, which may be appropriate for a neighborhood in the Transbay/downtown area, but for a neighborhood such as Bayview Hunters Point with such a high percentage of homeownership and a high degree of community interest, it made a lot of sense to engage the community in a grass-roots effort, block by block to solicit ideas from the people that live in the neighborhood and would be affected by proposed improvements. Ms. Palamountain thanked Mr. David Sobel for his excellent presentation. Ms. Palamountain stated she hoped that staff would look at educating the community, but particularly seniors who were often targets of financial products that were unscrupulous and high-cost, in order to preserve the equity in their homes that they had worked so hard for. Ms. Palamountain stated she like the idea of other blocks in the neighborhood being able to participate in the program, and the ongoing evaluation of the program as it progressed, in order to improve the program as necessary to maximize the benefits to the community. Ms. Palamountain asked staff and the PAC to include her name as a volunteer in any future sweat-equity opportunity in the model block program, because she really believed in that concept of redevelopment. Ms. Palamountain thanked members of the PAC who had and continued to work so hard for the betterment of the Bayview Hunters Point community. Ms. Palamountain stated she looked forward to seeing the next stage of the program.

Commissioner Dunlop stated he would happily join Commissioner Palamountain as a volunteer in the program. Mr. Dunlop stated he hoped there would be more blocks that would be included beyond one, two or three blocks in the community because it was a wonderful idea and a great concept. Mr. Dunlop urged staff to provide local hiring and job-training opportunities in the community as part of the program to help address the high unemployment rate in the Bayview. Mr. Dunlop recalled testimony from Mr. Bennett Warren about six other community organizations already providing similar programs and services as the proposed model block program, and asked staff to ensure coordination with all community-based organizations in the community to avoid problems. Mr. Dunlop stated he shared Commissioner Palamountain's concerns with ensuring that the senior population in the community was not the target of financial schemes.

Commissioner King stated he was not too satisfied with the presentation because there were African-American, Asian-American and Samoan-American communities in the Bayview, yet none of them were represented at the Commission meeting, and neither was the leadership of the Bayview PAC, indicating their support of the proposed model block program. Mr. King stated he did not think it was appropriate for Mr. David Sobel to represent the community because he did not know how long he had been with the Agency. Mr. King stated that it should be members of the community presenting the program to the Commission with representation from the African-American, Asian-American and Samoan-American

communities that live in the community. Mr. King stated the program should move forward, but there should be changes in who leads the Agency's team in the Bayview community.

Commissioner Singh asked how long the proposed model block program would take.

Executive Director Rosen stated staff was proposing a pilot project that hopefully, would be completed by the end of 2005, and based upon plan adoption and additional resources, staff hoped to pursue other blocks after that time.

Commissioner Yee requested verification that one million dollars had been budgeted for the proposed program, and asked if that would be adequate.

Mr. David Sobel, Senior Development Specialist, stated that if the Agency had more money, it could of course do a lot more, but the initial one million dollars could be adequate for residential rehabilitation for the first few blocks selected. Mr. Sobel stated that a typical block comprised of between 20 to 30 homes and staff did not anticipate all of the homes to participate or be necessarily eligible for the program. Mr. Sobel stated staff estimated rehabilitation costs to range from \$30,000 to \$50,000. Mr. Sobel stated the need for additional funding resources was anticipated for infrastructure work such as streetscape improvements. Mr. Sobel stated there had been a lot of interest from other City agencies and expected financing assistance from them as well as private foundations and philanthropic organizations. Mr. Sobel stated staff would be able to update the Commission on the negotiations and agreements in the coming months.

President Romero stated he thought the proposed model block program was a great idea.

4 (e) Workshop on the revised schematic design for the Contemporary Jewish Museum to be located on a portion of Block CB-1; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Connie Wolf, Sam Nunes (Architect)

Speakers: Paul Sedway, Cara Storm, Joyce Linker

Commissioner King stated he had been the project since the beginning and urged the museum and staff to continue the good work and congratulated everyone involved.

Commissioner Dunlop stated the redesign was beautiful and congratulated the museum for a job well done.

Commissioner Palamountain congratulated the museum on the beautiful redesign because it did not look like a compromise or downsizing at all and she liked the design concept of life not being contained in a building that resulted in a spectacular design. Ms. Palamountain thanked the museum for working diligently with the Agency as it moved forward to complete the Yerba Buena Center project.

Commissioner Singh congratulated the museum and stated he looked forward to the opening day and possibly drink some champagne to celebrate.

Commissioner Yee stated the museum had a wonderful and very bold design with its spectacular shape. Mr. Yee stated he looked forward to joining his fellow Commissioners to celebrate opening day with a drink of champagne.

President Romero stated he might be the only Commissioner that had been in a museum designed by Architect Daniel Libeskind, and shared that two years ago, he visited the Jewish Museum in Berlin, which was designed by Mr. Libeskind, and it was his greatest museum experience. Mr. Romero stated it was not just the exterior design, but the way the inside exhibit space was planned, that made the museum experience very unique. Mr. Romero stated that everyone was in for an experience when the Contemporary Jewish Museum was completed. Mr. Romero complimented the architect (Mr. Sam Nunes) for an excellent presentation and congratulated everyone for the wonderful redesign.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Dan Dodt, Joe Boss

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen assured the Commission and members of the public that the Agency was on schedule to adopt the Bayview Hunters Point Plan Amendment in 2005 and there was good cooperation between the Agency, Planning Department and the Mayor's Office toward that goal. Ms. Rosen stated she met earlier in the day with Mr. Angelo King,

the Chair of Bayview Hunters Point PAC, to discuss the schedule and the remaining plan documents to be approved. Ms. Rosen stated that the Comments and Responses document, which would become part of the Final EIR, was scheduled to be published on March 18th and the Agency, Planning Commissions' and Board of Supervisors' actions were scheduled to take place by end of the current fiscal year (June 2005). Ms. Rosen stated staff was committed and pledged to continue working with the PAC to complete the plan adoption process for the Bayview.

- Ms. Rosen stated she was informed that Architect Daniel Libeskind was scheduled to be in town on February 10th and 11th, and the museum was planning a public presentation on the redesign of the museum, which the Commission would be invited to attend. Ms. Rosen stated the Commission would be notified as soon as the details of the event were available.
- Notre Dame Apartments Rededication ceremony on February 3rd, from 10:30 a.m. to 12:30 p.m., 1590 Broadway at Van Ness Avenue.
- Powell's Place Grand Re-Opening on February 12th, from 12:00 noon to 3:00 p.m., 1521 Eddy Street at Fillmore Street.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Dunlop thanked Mr. Dan Dodt for speaking on the urgency of adopting the plan amendment for Bayview and stated he was confident that staff would continue to work with the PAC to complete the plan amendment process. Mr. Dunlop stated that although the proposed model block program was a good program, he agreed that adopting the plan amendment was the priority for the community.
- Commissioner Dunlop stated he wanted to share his personal experience as a gay man who grew up in a town where gays were discriminated, and that was why he moved to San Francisco, but even in San Francisco, he experienced discrimination in the various jobs he held because of his sexual orientation. Mr. Dunlop stated the Agency was a wonderful organization that had an ethnically and culturally diverse staff with great skills and abilities, and that he believed strongly in the proposed model block program and in Mr. David Sobel's ability to bring it to completion. Mr. Dunlop stated that any thought of Mr. Sobel not being the appropriate person to lead the program seemed wrong and was tantamount to the discrimination he (Mr. Dunlop) experienced because he was a gay person. Mr. Dunlop stated he wanted to express his strong support for Mr. Sobel and his hard work.

- Commissioner King stated that since Commissioner Dunlop was making it a personal issue, he (Mr. King) had no choice but to respond. Mr. King stated he was not referring directly to Mr. David Sobel, but was expressing his frustration with everyone else trying to figure out what was good for the community that included African, Samoan and Asian-Americans, who were all capable of representing the community. Mr. King stated he disagreed with Commissioner Dunlop's statements because he (Mr. King) did not say that Mr. Sobel was not capable, but he was not pleased with the staff assignments for the Bayview Hunters Point community. Mr. King stated he was not discriminating, but would prefer community representation for improving the neighborhood.
- President Romero stated he wanted to inform the Commission that Mr. Sobel's parents were in attendance at the meeting and heard everything that was said. Mr. Romero stated he thought Mr. Sobel did a good job.

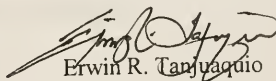
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations of the Amendment to the Disposition and Development Agreement with The Magnes Museum (the Contemporary Jewish Museum) for Parcel CB-1-JSS, the north side of Mission Street between Third and Fourth Streets; Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Penny Nakatsu, Tracie Reynolds, and Judy Eng.
- (b) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:54 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

February 15, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
15TH DAY OF FEBRUARY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of February 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:06 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Special Meeting of January 25, 2005, Regular Meeting of February 1, 2005

**Consent Agenda item 4 (b) was withdraw from the Consent Agenda.
The Commission voted on Consent Agenda item 4 (a).**

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: SPECIAL MEETING OF JANUARY 25, 2005, REGULAR MEETING OF FEBRUARY 1, 2005, BE ADOPTED.

- 4 (b)** Resolution No. 23-2005, Approving a waiver to the Agency's conflict of interest policy for William Carney, a former Agency employee, to provide consulting services to the Museum of the African Diaspora; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Singh stated he recalled that there was a 2- or 5-year prohibition for former Agency employees from working on Agency projects.

Ms. Amy Neches, Senior Project Manager, stated that there was such a prohibition in the Agency's personnel policy and the Commission had the ability to grant the requested waiver and staff had determined that there was no conflict of interest.

Agency General Counsel James Morales stated the policy was a two-year prohibition for former employees from appearing before the Commission, and did not preclude a former employee from working on Agency-related matters that did not have a conflict of interest such as the one recommended for Mr. William Carney.

Commissioner Dunlop put forth a motion to adopt item 4 (b) and stated he agreed that Mr. William Carney's experience would be of great assistance to the Museum of the African Diaspora, and recalled that the Commission had previously granted similar waivers in the past.

Commissioner Palamountain seconded Commissioner Dunlop's motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 23-2005, APPROVING A WAIVER TO THE AGENCY'S CONFLICT OF INTEREST POLICY FOR WILLIAM CARNEY, A FORMER AGENCY EMPLOYEE, TO PROVIDE CONSULTING SERVICES TO THE MUSEUM OF THE AFRICAN DIASPORA; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 24-2005, Authorizing an increase of \$120,000 to the Basement and Sidewalk Enhancement Program for a total aggregate amount not to exceed \$2,120,000 to provide funds to property owners for structural support for improved sidewalks along Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Isabella Wong (Agency staff)

Speakers: Antoinetta Stadlman III

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (c) RESOLUTION NO. 24-2005, AUTHORIZING AN INCREASE OF \$120,000 TO THE BASEMENT AND SIDEWALK ENHANCEMENT PROGRAM FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,120,000 TO PROVIDE FUNDS TO PROPERTY OWNERS FOR STRUCTURAL SUPPORT FOR IMPROVED SIDEWALKS ALONG SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d) Resolution No. 25-2005, Authorizing a Second Amendment to the Personal Services Contract with MJM Management Group Inc., formerly KTB Management Group Inc., a California corporation, and SOMA Partnership, a nonprofit public benefit corporation, extending the term for a period not to exceed six months and increasing the contract amount by \$64,800 for a total aggregate amount not to exceed \$451,074, for steam cleaning and related services for the Sixth Street corridor; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Speakers: Antoinetta Stadlman III, Bernadette Borja Sy, Henry Karnilowicz

Commissioner Dunlop put forth a motion to adopt item 4 (d) and thanked Ms. Stadlman, Ms. Borja Sy and Mr. Karnilowicz for coming to the meeting and addressing the Commission.

Commissioner Palamountain seconded Commissioner Dunlop's motion.

President Romero asked if there was anyone from MJM Management in attendance. Representatives from MJM Management raised their hands to be recognized. Mr. Romero thanked and urged them to keep up the good work.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (d) RESOLUTION NO. 25-2005, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP INC., FORMERLY KTB MANAGEMENT GROUP INC., A CALIFORNIA CORPORATION, AND SOMA PARTNERSHIP, A NONPROFIT PUBLIC BENEFIT CORPORATION, EXTENDING THE TERM FOR A PERIOD NOT TO EXCEED SIX MONTHS AND INCREASING THE CONTRACT AMOUNT BY \$64,800 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$451,074, FOR STEAM CLEANING AND RELATED SERVICES FOR THE SIXTH STREET CORRIDOR; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (e) and 4 (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 26-2005, Adopting environmental findings pursuant to the California Environmental Quality act and authorizing an Owner Participation Agreement with Bosa Development California II, Inc., a California corporation, for the proposed development of Parcel X2, Assessor's Block 3837, Lot 2, in the Mission Bay South Redevelopment Project Area, pursuant to the Mission Bay South Redevelopment Plan; Mission Bay South Redevelopment Project Area
- 4 (f)** Resolution No. 27-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the combined basic concept and schematic design for Blocks 10 and 10a, a residential project in the Mission Bay South Redevelopment Project Area, pursuant to an Owner Participation Agreement with FOCIL-MB and an Owner Participation Agreement with Bosa Development Corporation; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), John Perkins (Architect)

Commissioner Dunlop inquired about the park areas situated in front of the proposed development on the model and asked if the towers would cast shadows on the park areas. Mr. Dunlop asked about what he described as a small public walkthrough near the water's edge. Mr. Dunlop requested an explanation of the \$2,000,000 in-lieu affordable housing fee.

Ms. Amy Neches, Senior Project Manager, stated that the park areas on the south side of the proposed development were part of the Mission Bay Commons open space, which had already been designed and under construction. Ms. Neches stated the towers would not cast shadows on the

open space areas. Ms. Neches stated that the “public walkthrough” along the water’s edge was actually a private street with public access that would be nicely paved for pedestrian access as well access to the parking garage. Ms. Neches stated there was an ambitious affordable housing program in Mission Bay that would develop a minimum of 1,700 units and the Agency continues to negotiate for additional affordable units in upcoming developments that would result in almost 1,900 units for both Mission Bay North and South. Ms. Neches explained that such an affordable housing program required significant amounts of subsidies that would primarily come from the tax increment affordable housing set-aside, and the generation of such subsidies entailed a multi-year process. The \$2,000,000 in-lieu fee would assist the Agency to move forward with its affordable housing program a little sooner. Ms. Neches stated that this amount could subsidize about 25 affordable units, specifically family rental units, and staff felt that this was a fair trade-off that would allow the Agency to advance its affordable housing program much sooner and in conjunction with private development.

Executive Director Rosen stated that since staff had been pushing the development envelope, staff hoped that the Agency would exceed its affordable housing goals, and the in-lieu fee would provide the resources earlier instead of waiting for the tax increment to come in. Ms. Rosen stated staff felt this was a reasonable trade for the five affordable units in this larger proposed development versus assisting the Agency in moving forward on much greater number of affordable units on Agency parcels.

Commissioner Dunlop thanked staff for the explanation and for the great presentation and put forth a motion to adopt item 4 (e).

Commissioner Palamountain stated she was glad to hear staff say that it was against the Agency’s normal policy to do in-lieu fees for affordable housing and was reflective of the Commission’s stance on the Agency’s affordable housing policy. Ms. Palamountain stated she believed that the Commission would be concerned about how the \$2,000,000 would actually be used, that it would be used specifically for affordable housing units and not for administrative expenditures. Ms. Palamountain stated she would like the Agency to keep track of all in-lieu fees and to keep an account of exactly how many affordable housing units were produced. Ms. Palamountain stated she recalled that Parcel X2 was a parcel that was not part of the Owner Participation Agreement (OPA) and she appreciated the developer’s efforts to aggregate the parcels for a more unified development, and the developer providing an additional 10% to the in-lieu fee. Ms. Palamountain asked when the in-lieu fee would be paid to the Agency.

Ms. Neches stated that the in-lieu fee was required to be paid to the Agency before the building permit was issued. The sequence would begin with

closing of the acquisition, do the lot line adjustments to create one single lot, and then pay the in-lieu fee, and obtain the building permit. Ms. Neches stated staff anticipated the in-lieu fee to be paid to the Agency at the end of 2005 given the current schedule, and an outside date of the end of 2006, should there be unanticipated problems with the real estate transactions.

Commissioner Palamountain thanked Ms. Neches for the explanation and stated that although the in-lieu fee was a close issue for her, given the developer's cooperation and that this arrangement would be a one-time deal, she felt confident of seconding Commissioner Dunlop's motion.

Commissioner Singh asked what the total project cost was. Mr. Singh asked if there were any Indian contractors involved with the project.

Ms. Neches stated that the proposed project was still at the schematic design stage, and estimated that the project would cost between \$200 and \$250 million.

Mr. George Bridges, Contract Compliance Specialist II, stated that Bosa Development complied with the Agency's Equal Employment Opportunity Program and was able to achieve a diverse consultant team with a minority-owned business enterprise that exceeded the Agency's goals, but there were no Indian contractors identified to date. Mr. Bridges stated that the project was in the consultant phase, and in terms of construction, the developer would be soliciting contractors in the spring.

Commissioner Singh stated he would like to be informed of the contractor solicitation efforts.

President Romero asked if the parking was underground or above ground. Mr. Romero asked if there was any landscaping and if there were surface level entrance for the housing units.

Ms. Neches stated that all of the parking was above grade, but was all completely wrapped by townhouse units, and not visible from the street. Ms. Neches stated there would be two levels of parking above ground with landscaping and swimming pools on top. Ms. Neches stated that similar to Transbay, there would be ground level entrances for the townhouse units as well as corridor entrances.

President Romero stated he thought that the project was a good deal for the Agency and certainly was an attractive design, and he intended to support the project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (e) RESOLUTION NO. 26-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH BOSA DEVELOPMENT CALIFORNIA II, INC., A CALIFORNIA CORPORATION, FOR THE PROPOSED DEVELOPMENT OF PARCEL X2, ASSESSOR'S BLOCK 3837, LOT 2, IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE MISSION BAY SOUTH REDEVELOPMENT PLAN; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (f) RESOLUTION NO. 27-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR BLOCKS 10 AND 10A, A RESIDENTIAL PROJECT IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB AND AN OWNER PARTICIPATION AGREEMENT WITH BOSA DEVELOPMENT CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) and 4 (h) were presented together and acted upon separately.

- 4 (g)** Resolution No. 28-2005, Authorizing a Second Amendment to the Personal Services Contract with Cultural ID, a California limited liability company, to modify contract administration provisions related to consulting services for the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2
- 4 (h)** Resolution No. 29-2005, Approving an operating budget for the Promotions Office for the Fillmore Jazz Preservation District, in an amount not to exceed \$292,127; Western Addition Redevelopment Project Area A-2

Presenters: Nicole Franklin (Agency staff)

Speakers: Tom Nichol, Rev. Arnold Townsend, Sheryl Davis, Ace Washington, Mary Helen Rogers, Paul Jones, Dyeshia Sampson, Mel Simmons, Gregory McDowell, Rev. Jeffrey Benford, Randall Evans, Bobbie Webb, Erris Edgerly, Trevas Silles, Mr. Sandy Staggs, Jim Larkin, Steve Boyack, Charles Spencer, Agonafer Shiferaw, Otis Harris, Mary McCue

Commissioner King stated the Commission had heard from the community, a community which he was a part of, and congratulated Chris Esparza and the Promotions Office for doing a good job. Mr. King stated he and his granddaughter enjoyed the Christmas party held at the Promotions Office last Christmas. Mr. King stated that members of the community had requested a one-month extension on the consideration of the Promotions Office's operating budget in order for the community to have further discussions. Mr. King stated he had not heard any opposition to the Promotions Office and as stated earlier by Mrs. Mary Rogers, the Western Addition Citizens' Advisory Committee (CAC) was recommending the one-month extension. Mr. King put forth a motion to continue item 4 (h) to the March 15, 2005 Commission meeting and to authorize a 30-day budget for the Promotions Office.

Commissioner Dunlop stated because he did not want to see a tie vote, he would second Commissioner King's motion subject to staff confirming that there would not be a significant impact on the operations and services of the Promotions Office.

Executive Director Rosen stated that because the CAC had requested the continuance, staff prepared a one-month budget for the Promotions Office should the Commission decide to continue the matter. The one-month budget would keep the Promotions Office open, but did not include dollars for the various events.

Ms. Nicole Franklin, Project Manager, stated that the one-month budget would only pay for office rent and related costs and Cultural ID would not be able to negotiate for events without a full operating budget.

Executive Director Rosen added that the one-month budget of \$39,285 appeared to cover office costs and a limited amount of event expenditures.

Commissioner Dunlop stated he understood that if the Commission approved a one-year contract, Cultural ID would be able to negotiate, finalize contracts and plan for the various events and without a full year budget, they would not be able to do so. Mr. Dunlop stated the Commission was essentially putting the process on hold for a month until the CAC held its meeting even though everyone seemed to love and approve of what Cultural ID was doing, regardless, everyone wanted to wait a month to have further discussions.

Commissioner King interjected and stated he was tired of Commissioner Dunlop's misstatements about the community.

President Romero asked if Commissioner King was finished with his statements, and stated that since Mr. King could not be stopped from interrupting, the Commission would just wait until Mr. King had concluded his comments.

Commissioner King stated he had the right to speak and he would respect the President if the President respected him.

President Romero stated that Mr. King showed no respect for the President or the rest of the Commissioners when he interrupted other Commissioners. Mr. Romero again asked if Mr. King was finished with his statements.

Commissioner King stated he would conclude his statements if Mr. Dunlop was finished with his statements.

Commissioner Yee made a point of order and stated that Mr. King had made a motion, which was seconded by Mr. Dunlop, and asked why Mr. Dunlop still had the floor after he seconded the motion.

President Romero stated that Mr. Dunlop had the floor and was speaking to the motion, and he would be allowed to continue to speak.

Commissioner Dunlop stated he seconded Mr. King's motion because he did not want the motion to end up in a tie vote, although he did not see the logic in continuing the matter for one month. Mr. Dunlop stated the Commission respected the CAC and would listen to it, but pointed out that the Promotions Office was an award-winning project, and if the community felt that the delay was necessary, then the Agency needed to move forward, but that the delay seemed illogical to him.

Commissioner King interjected and stated that Mr. Dunlop always had to make unnecessary statements.

At this point, President Romero gavelled Mr. King's interruption.

Commissioner King admonished President Romero to not gavel him again.

President Romero stated to Mr. King to continue to do whatever he wanted to do.

Commissioner King stated that as the President, Mr. Romero could rule him out of order, but should not gavel him down because he (Mr. Romero) did not have that power.

President Romero reminded that there was a way for Commissioners to be recognized to speak and that was to push the "request to speak" button on the monitors, and every Commissioner was respecting that process except Mr. King. Mr. Romero stated to Mr. King to go ahead and just speak whenever he wanted to.

Commissioner King stated he did not have to respect the process because Mr. Romero was only the President temporarily until the Mayor appointed other Commissioners to the Commission. Mr. King stated that Mr. Romero should not be the President anyway, because his term as President already ended at the end of 2004.

President Romero asked the Commission Secretary if the meeting was being audio-taped.

Commission Secretary Erwin Tanjuaquio affirmed that the meeting was being audio-taped.

At this time, there were vociferous interruptions from members of the public and President Romero called for a five-minute recess.

Following the recess, the Commission continued its deliberations.

Commissioner Palamountain stated she heard a lot of positive testimony about the Promotions Office, including from the San Francisco Food Systems and how people were able to use food stamps and senior food assistance to purchase fresh produce from the farmers' market. Ms. Palamountain stated she was impressed with testimony about the hiring of youth for the various events that the Promotions Office put together, and for not only working with the Western Addition community, but also drawing people from other communities to see the wealth that the community had to offer, but also have a flow of investment from outside the community as Mr. Randall Evans testified. Ms. Palamountain stated she enjoyed testimony from Mr. Gregory McDowell regarding different people from different communities gathering and coming together at the Fillmore events, and testimony from Mr. Trevas Silles about his positive experience working on some of the events. Ms. Palamountain stated she did not think that the testimony given was negative criticism toward Cultural ID, and stated her own strong support for the work that Cultural ID had done. Ms. Palamountain stated she would support Commissioner King's motion to continue the matter for one month to allow the community to have further discussion, because she believed that the community had to be part of that decision. Ms. Palamountain stated she hoped that the matter would be back before the Commission in one month and with everyone supporting a full budget for Cultural ID.

President Romero stated he was happy to support the 30-day continuance for the following reasons. Mr. Romero recalled significant opposition to the Promotions Office when it was first proposed because it was seen by the community as the Agency running the office itself and obviously, Cultural ID had done a good job and achieved success as seen by the tremendous support from the community. Mr. Romero stated it was reasonable to expect the community to want the kind of expertise and establishment like the Promotions Office to somehow be transferred to the community, but the Commission had no formal proposal before it. With regard to Cultural ID, Mr. Romero stated he believed that it had done a very good job and was very competent, and there was no need for allegations about accountability and transparency. Mr. Romero suggested that the CAC engage in an orderly process to try and bring about the common goals in a civilized manner.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 29-2005, APPROVING AN OPERATING BUDGET FOR THE PROMOTIONS OFFICE FOR THE FILLMORE JAZZ PRESERVATION DISTRICT, IN AN AMOUNT NOT TO EXCEED \$292,127; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED TO THE MARCH 15, 2005 COMMISSION MEETING, AND TO AUTHORIZE A 30-DAY BUDGET FOR CULTURAL ID.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (g) RESOLUTION NO. 28-2005, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH CULTURAL ID, A CALIFORNIA LIMITED LIABILITY COMPANY, TO MODIFY CONTRACT ADMINISTRATION PROVISIONS RELATED TO CONSULTING SERVICES FOR THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (i) Resolution No. 30-2005, Approving the revised Fillmore Jazz Preservation District Revolving Loan Program to provide façade improvement, tenant improvement and business assistance loans to business and property owners in the Fillmore Jazz Preservation District and appropriating \$850,000 to capitalize the loan program; Western Addition Redevelopment Project Area A-2

Presenters: Nicole Franklin (Agency staff)

Speakers: Mary Helen Rogers, Ace Washington, Agonafer Shifferaw, Keith L. Carlisle, Erris Edgerly, Daniel Landry

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (i) RESOLUTION NO. 30-2005, APPROVING THE REVISED FILLMORE JAZZ PRESERVATION DISTRICT REVOLVING LOAN PROGRAM TO PROVIDE FAÇADE IMPROVEMENT, TENANT IMPROVEMENT AND BUSINESS ASSISTANCE LOANS TO BUSINESS AND PROPERTY OWNERS IN THE FILLMORE JAZZ PRESERVATION DISTRICT AND APPROPRIATING \$850,000 TO CAPITALIZE THE LOAN PROGRAM; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (j) Resolution No. 31-2005, Authorizing a Third Amendment to the Personal Services Contract with EIP Associates, a California corporation, for an amount not to exceed \$195,000 for an aggregate amount not to exceed \$953,000, and to extend the term of the contract to September 15, 2005; Bayview Hunters Point Redevelopment Survey Area; Hunters Point, India Basin And Bayview Industrial Triangle Redevelopment Project Areas

Presenters: Stan Muraoka (Agency staff)

Speakers: Angelo P. King, Dan Dodt

Commissioner Palamountain put forth a motion to adopt item 4 (j) and thanked Mr. Angelo King and Mr. Dan Dodt for coming to the meeting and for their dedication and commitment to the Bayview Hunters Point. Ms. Palamountain encouraged them to invite Commissioners to come and meet with the community.

Commissioner Singh seconded Commissioner Palamountain's motion to adopt item 4 (j).

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (j) RESOLUTION NO. 31-2005, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A CALIFORNIA CORPORATION, FOR AN AMOUNT NOT TO EXCEED \$195,000 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$953,000, AND TO EXTEND THE TERM OF THE CONTRACT TO SEPTEMBER 15, 2005; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; HUNTERS POINT, INDIA BASIN AND BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

Items 4 (k) and 4 (l) were presented together and acted upon separately.

- 4 (k)** Resolution No. 32-2005, Authorizing an Owner Participation Agreement with 1620-1662 Innes, LLC, a California limited liability company, for the proposed development at 1620-1662 Innes Avenue, located between Phelps and Third Streets (Assessor's Block 5260, Lot 4 and Lot 10, and Assessor's Block 167, Lot 23, Lot 24, and Lot 25); Bayview Industrial Triangle Redevelopment Project Area
- 4 (l)** Resolution No. 33-2005, Conditionally approving the schematic design for the proposed development at 1620-1662 Innes Avenue, located between Phelps and Third Streets (Assessor's Block 5260, Lot 4 and Lot 10 and Assessor's Block 167, Lot 23, Lot 24, and Lot 25); Bayview Industrial Triangle Redevelopment Project Area

Presenters: Stan Muraoka, Tiffany Bohee (Agency staff)

Speakers: Dan Dodt

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (k) RESOLUTION NO. 32-2005, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH 1620-1662 INNES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE PROPOSED DEVELOPMENT AT 1620-1662 INNES AVENUE, LOCATED BETWEEN PHELPS AND THIRD STREETS (ASSESSOR'S BLOCK 5260, LOT 4 AND LOT 10, AND ASSESSOR'S BLOCK 167, LOT 23, LOT 24, AND LOT 25); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (l) RESOLUTION NO. 33-2005, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE PROPOSED DEVELOPMENT AT 1620-1662 INNES AVENUE, LOCATED BETWEEN PHELPS AND THIRD STREETS (ASSESSOR'S BLOCK 5260, LOT 4 AND LOT 10 AND ASSESSOR'S BLOCK 167, LOT 23, LOT 24, AND LOT 25); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- “Soft-opening” of the Jessie Square Garage earlier in the day (February 15th) with the official opening on February 16th. The entrance to the parking garage would be on Stevenson Street from Third Street. Ms. Rosen urged everyone to visit the new garage and informed that the parking rates were the same as the Fifth and Mission Garage.
- The proposed Transbay Redevelopment Plan was introduced at the Board of Supervisors and staff would be finalizing the plan adoption scheduled with the Board President and Chair of the Land Use Committee, with final adoption within the next four to six weeks.
- The Western Addition A-2 Redevelopment Plan Amendment was introduced one week ago by both District 5 Supervisor Ross Mirkarimi and Mayor Newsom.
- Informational memorandum regarding a Board of Supervisors Land Use Committee hearing one week ago, convened by Supervisor Sophie Maxwell regarding possible use of redevelopment in the Visitation Valley. Supervisor Maxwell during roll call introduction at the Board of Supervisors meeting earlier (February 15th), requested the City Attorney’s Office to draft legislation for a proposed redevelopment survey area in Visitation Valley. Agency staff would work with Supervisor Maxwell’s office and keep the Commission informed.
- Public Initiatives Development Corporation (PIDC) Board meeting on February 22nd, 5:00 p.m., at the Agency offices, 770 Golden Gate Avenue.
- Ms. Rosen congratulated Emmit Powell for the successful grand opening of Powell’s on February 12th, with Commissioners King and Singh as well as Agency staff in attendance.
- Annual Black History Month luncheon, on Thursday February 17th, 12:00 noon, at the First Union Baptist Church at Golden Gate Avenue and Webster Streets. Ms. Rosen acknowledged Mr. Sylvester McGuire’s tireless efforts in producing a display commemorating Black History Month that was on exhibit in the Agency offices. Ms. Rosen encouraged everyone to visit and see the wonderful display.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain requested verification that the new Jessie Square Garage had the same parking rates as the Fifth and Mission Garage.

Executive Director Rosen affirmed that the new Jessie Square Garage had the same parking rates as the Fifth and Mission Garage.

- Commissioner Palamountain stated she thought that was great and encouraged the public to park at Jessie Square to help pay for the Agency's bonded indebtedness.
- Commissioner Palamountain thanked and commended Ms. Denise Blades for her excellent memoranda on the Promotions Office and Ms. Nicole Franklin for her dedication and hard work.
- Commissioner Singh asked what was meant with by "soft opening" of the new Jessie Square Garage.

Executive Director Rosen stated it was an unofficial opening to test all of the parking systems to ensure that they were functioning properly. The official opening would be on February 16th complete with all the signage and the public would be encouraged to park in the garage.


10. CLOSED SESSION

- (a) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: In the Matter of San Francisco Redevelopment Agency v. 1600 Webster Street Associates, LLC.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:02 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

March 1, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
1ST DAY OF MARCH 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of March 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain

And the following were absent:

Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

Closed Session meeting held on February 15, 2005

- (a) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: In the Matter of San Francisco Redevelopment Agency v. 1600 Webster Street Associates, LLC.

Executive Director Rosen reported that on February 15, 2005, the Commission met in closed session on Agenda Item No. 10(a) and by a vote of 5-0 (Commissioner Yee being absent) the Commission authorized a

settlement of the existing matter: San Francisco Redevelopment Agency v. 1600 Webster Street Associates.

The Commission authorized the Executive Director to execute a Settlement and Release Agreement on the following terms and conditions:

- Owner to pay \$400,000 to Agency to be held in trust for approximately 58 affected workers.
- Agency to disburse prorated share of funds to each worker in exchange for an executed release agreement. Any funds not disbursed within six (6) months of receipt shall be returned to Owner (to defend against lawsuits directly by workers who refused settlement).
- Nothing in settlement shall affect the right of affected workers who chose to bring lawsuit directly against Owner.
- Nothing in settlement shall affect the other obligations and rights contained in the OPA (other than prevailing wage obligation).
- Each side to execute mutual releases of all claims against the other.
- Carpenter's Union to dismiss with prejudice pending lawsuit.
- Each side to bear its own attorneys fees and costs.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 15, 2005

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF FEBRUARY 15, 2005, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 34-2005, Adopting environmental findings pursuant to the California Environmental Quality Act ("CEQA") and approving the Block N5 Major Phase submission in the Mission Bay North Redevelopment Project Area pursuant to an Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay North Redevelopment Project Area

Presenters: Tom Evans (Agency staff)

Commissioner Palamountain asked about the sound wall and how it would be affected by discussion about changes that CalTrans may make for the Transbay Terminal and impact on the existing rail yards. Ms. Palamountain requested verification that the rear walls of the townhouses would face the rail tracks.

Mr. Tom Evans, Assistant Project Manager, stated that to his knowledge the rail alignment would not change, but he was not familiar with the engineering of the track alignment. Mr. Evans affirmed that the rear walls of the townhouses would face the rail tracks and would have sound-rated walls with no operable windows or openings.

Commissioner Palamountain put forth a motion to adopt item 4 (b). Commissioner Dunlop seconded the motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (b) RESOLUTION NO. 34-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") AND APPROVING THE BLOCK N5 MAJOR PHASE SUBMISSION IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

**Items 4 (c) through 4 (i) are related to the Hunters Point Shipyard
Community Facilities District No. 7**

- (c) Public hearing to hear all persons interested in the establishment of Community Facilities District No. 7; Hunters Point Shipyard

Establishing Community Facilities District No. 7 covering portions of Phase 1; Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 35-2005)
- (d) Forming Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), authorizing the levy of a special tax, and preliminarily establishing an appropriations limit for the community facilities district; Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 36-2005)
- (e) Determining necessity to incur bonded indebtedness of Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 37-2005)

- (f) Calling a special election in Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area (Resolution No. 38-2005)
- (g) Declaring results of special election in Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) and directing recording of notice of special tax lien; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 39-2005)
- (h) Levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area (Resolution No. 40-2005)
- (i) Authorizing issuance of and sale of special tax bonds for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) in an amount not to exceed \$40,000,000, authorizing the execution of an indenture of trust, and approving and authorizing related documents and actions; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 41-2005)

Executive Director Marcia Rosen stated that staff would recommend that items 4 (c) through 4 (i) related to the Hunters Point Shipyard Community Facilities District No. 7 be continued to the Commission meeting of March 15, 2005, as the items were not ready for the Commission's consideration and action.

Commissioner Palamountain put forth a motion to continue items 4 (c) through 4 (i) to the March 15, 2005 Commission meeting. Commissioner Dunlop seconded the motion.

MOTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEMS 4 (c) THROUGH 4 (i) RELATED TO THE HUNTERS POINT SHIPYARD COMMUNITY FACILITIES DISTRICT NO. 7 BE CONTINUED TO THE MARCH 15, 2005 COMMISSION MEETING.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

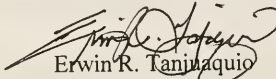
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. REPORT OF THE PRESIDENT None.
8. REPORT OF THE EXECUTIVE DIRECTOR None.
9. COMMISSIONERS' QUESTIONS AND MATTERS None.
10. CLOSED SESSION
 - (a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.
 - (b) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: East India Basin, LLC v. San Francisco Planning Department; Redevelopment Agency, Board of Supervisors

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:34 p.m.

Respectfully submitted,


Erwin R. Taninaquio
Agency Secretary

APPROVED:

March 15, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
15TH DAY OF MARCH 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of March 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:06 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE FEBRUARY 15, 2005 COMMISSION MEETING

- 3(a) Resolution No. 29-2005, Approving an operating budget for the Promotions Office for the Fillmore Jazz Preservation District, in an amount not to exceed \$292,127; Western Addition Redevelopment Project Area A-2

Executive Director Marcia Rosen informed the Commission that the Fillmore Jazz Preservation District Promotions Office received an award at the recent California Redevelopment Association's (CRA) conference and showed a brief video clip about the Promotions Office that was presented at the conference.

Presenters: Nicole Franklin (Agency staff)

Speakers: Mary Helen Rogers, Dorris M. Vincent, Ace Washington

Commissioner King put forth a motion to adopt item 3 (a) and stated that he was glad to see the community and the Citizens' Advisory Committee (CAC) work together to resolve the budget issues. Mr. King stated he would continue to visit the Promotions Office and congratulated everyone for their hard work on the successful events, which he hoped would continue.

Commissioner Palamountain seconded Commissioner King's motion and complimented both Cultural ID and Ms. Denise Blades for the well-written memorandum dated February 15, 2005. Ms. Palamountain stated that the staff report detailed the concrete benefits from the activities implemented by the Agency and Cultural ID and provided good documentation not only of foot traffic in the Fillmore, but also increased economic development activities. Ms. Palamountain thanked the Promotions Office and stated she appreciated all the hard work.

Commissioner Dunlop stated he agreed with all of Commissioner Palamountain's comments and praises. Mr. Dunlop stated it was good to see the good working relationship between the Agency, community and CAC as well as the consultant. Mr. Dunlop congratulated Cultural ID for its dedication and hard work and thanked Ms. Nicole Franklin and Ms. Denise Blades for all their hard work. Mr. Dunlop thanked members of the CAC for their hard work in improving their community.

President Romero showed the CRA award plaque presented to the Agency for the tremendous work of the Promotions Office and stated that Cultural ID's work now had statewide recognition in addition to local appreciation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 29-2005, APPROVING AN OPERATING BUDGET FOR THE PROMOTIONS OFFICE FOR THE FILLMORE JAZZ PRESERVATION DISTRICT, IN AN AMOUNT NOT TO EXCEED \$292,127; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

**Items 3 (b) through 3 (i) are related to the Hunters Point Shipyard
Community Facilities District No. 7**

- 3(b)** Resolution No. 42-2005, Authorizing continuation of the hearing for Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), and continuing related actions described in Agenda items 3 (c) through 3 (i) until April 5, 2005; Hunters Point Shipyard Redevelopment Project Area

- 3(c)** Public hearing to hear all persons interested in the establishment of Community Facilities District No. 7; Hunters Point Shipyard
- Establishing Community Facilities District No. 7 covering portions of Phase 1; Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 35-2005)
- 3(d)** Forming Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), authorizing the levy of a special tax, and preliminarily establishing an appropriations limit for the community facilities district; Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 36-2005)
- 3(e)** Determining necessity to incur bonded indebtedness of Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 37-2005)
- 3(f)** Calling a special election in Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area (Resolution No. 38-2005)
- 3(g)** Declaring results of special election in Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) and directing recording of notice of special tax lien; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 39-2005)
- 3(h)** Levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area (Resolution No. 40-2005)
- 3(i)** Authorizing issuance of and sale of special tax bonds for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) in an amount not to exceed \$40,000,000, authorizing the execution of an indenture of trust, and approving and authorizing related documents and actions; Hunters Point Shipyard Redevelopment Project Area
(Resolution No. 41-2005)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 3 (b) RESOLUTION NO. 42-2005, AUTHORIZING CONTINUATION OF THE HEARING FOR COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS), AND CONTINUING RELATED ACTIONS DESCRIBED IN AGENDA ITEMS 3 (C) THROUGH 3 (I) UNTIL APRIL 5, 2005; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of March 1, 2005
- 4(b) Resolution No. 43-2005, Authorizing a First Amendment to the Sublease Agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to: 1) remove buildings 101 and 110 from the leasehold premises; 2) make changes to related provisions clarifying the sublease agreement in light of the removal of the two buildings; and 3) making the term of the sublease coterminous with the Agency's master lease with the United States Department of the Navy; Hunters Point Shipyard Redevelopment Project Area
- 4(c) Resolution No. 44-2005, Authorizing a Sixth Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, for interim security services at the Hunters Point Shipyard to extend the contract for a term not to exceed three months, from April 1, 2005 through June 30, 2005 and increase the contract amount by \$75,000 for a total aggregate amount not to exceed \$955,000; Hunters Point Shipyard Redevelopment Project Area
- 4(d) Resolution No. 45-2005, Authorizing an amendment to the Tax Increment Loan Agreement, Promissory Note, Regulatory and Grant Agreement, Declaration of Restrictions, Ground Lease, and Memorandum of Ground Lease all with Jordan Housing Corporation, a California nonprofit public benefit corporation, to satisfy the California Department of Housing and Community Development requirements for funding in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Affordable Housing Program

Commission Secretary Erwin R. Tanjuaquio informed the Commission that staff would recommend that item 4 (b) be withdrawn from the Consent Agenda. Mr. Tanjuaquio also informed the Commission that there was a speaker card for Consent Agenda item 4 (c).

President Romero entertained a motion to adopt items 4 (a) and 4 (d) of the Consent Agenda.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 1, 2005, AND 4 (d) RESOLUTION NO. 45-2005, AUTHORIZING AN AMENDMENT TO THE TAX INCREMENT LOAN

AGREEMENT, PROMISSORY NOTE, REGULATORY AND GRANT AGREEMENT, DECLARATION OF RESTRICTIONS, GROUND LEASE, AND MEMORANDUM OF GROUND LEASE ALL WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO SATISFY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT REQUIREMENTS FOR FUNDING IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

Executive Director Rosen stated that staff would recommend continuance of Consent Agenda item 4 (b) to the Commission meeting of April 5, 2005.

Commissioner Singh put forth a motion to continue item 4 (b) to the Commission meeting of April 5, 2005. Commissioner Palamountain seconded the motion.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 43-2005, AUTHORIZING A FIRST AMENDMENT TO THE SUBLEASE AGREEMENT WITH PATTERNS LIMITED, INCORPORATED, A CALIFORNIA CORPORATION, DOING BUSINESS AS THE POINT, TO: 1) REMOVE BUILDINGS 101 AND 110 FROM THE LEASEHOLD PREMISES; 2) MAKE CHANGES TO RELATED PROVISIONS CLARIFYING THE SUBLEASE AGREEMENT IN LIGHT OF THE REMOVAL OF THE TWO BUILDINGS; AND 3) MAKING THE TERM OF THE SUBLEASE COTERMINOUS WITH THE AGENCY'S MASTER LEASE WITH THE UNITED STATES DEPARTMENT OF THE NAVY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE CONTINUED TO THE COMMISSION MEETING OF APRIL 5, 2005.

- 4(c) Resolution No. 44-2005, Authorizing a Sixth Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, for interim security services at the Hunters Point Shipyard to extend the contract for a term not to exceed three months, from April 1, 2005 through June 30, 2005 and increase the contract amount by \$75,000 for a total aggregate amount not to exceed \$955,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Dorris M. Vincent

Commissioner Yee stated he did not recall what the 5th amendment was for, nor the previous contract amendments, and requested an explanation. Mr. Yee requested verification that the selection and award of personal services contract rested with the Agency Commission.

Ms. Nicole Franklin, Project Manager, stated that there were several contract amendments because the Agency was waiting for the conveyance of Parcel A, and in the meantime, a security services agreement had been negotiated with the Navy that changed the scope of the security services, which was being provided by McCoy's Patrol Services. The 5th Amendment was to bring the scope of services up to date with the security services agreement with the Navy. Ms. Franklin stated the 6th Amendment before the Commission would provide additional time to ensure the broadest outreach to qualified security services firms.

Executive Director Rosen affirmed that the selection and award of the security services contract rested with the Agency Commission. Mr. Rosen stated that pursuant to the security services agreement, where the Navy would be paying for the security services with Federal dollars, the Agency would work cooperatively to meet the Navy's purchasing policies as well. Ms. Rosen stated that when bids would be submitted and reviewed by the selection panel, and a security services firm would be recommended, the selection and award of the security services contract would be the sole authority of the Agency Commission.

Commissioner Yee stated that McCoy's Patrol Service had been providing security services at the Shipyard for a few years now and had done a very good job, with no complaints. Mr. Yee stated he would recommend to the Commission to not only extend the contract for three months, but to also consider awarding the permanent security services contract to McCoy's Patrol Service, given the problems with the previous selection process.

Commissioner Dunlop put forth a motion to adopt item 4 (c).
Commissioner Palamountain seconded the motion.

Commissioner Singh asked if the matter could be continued until the next Commission meeting, and what the impact would be.

Executive Director Rosen stated that the current contract terminates at the end of March 2005 and the Agency was bound by the security services agreement with the Navy to provide security services at the Shipyard. The Agency was required to do a new procurement for security services, which the current contractor would be able to apply, but in the interim, the Agency was required to provide security services pursuant to the security services agreement, and the only way to continue the security services was to keep the current firm's contract in place while the selection process was

completed. Ms. Rosen stated the Agency had a legal obligation to continue the security services at the Shipyard and staff was strongly recommending that the Commission extend the contract with McCoy's Patrol Service for three months.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 44-2005, AUTHORIZING A SIXTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, FOR INTERIM SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD TO EXTEND THE CONTRACT FOR A TERM NOT TO EXCEED THREE MONTHS, FROM APRIL 1, 2005 THROUGH JUNE 30, 2005 AND INCREASE THE CONTRACT AMOUNT BY \$75,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$955,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 46-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the schematic design for Mission Creek Park open space parcels NP4 and NP5 in the Mission Bay North Redevelopment Project Area pursuant to the Owner Participation Agreement with FOCIL-MB; LLC; Mission Bay North Redevelopment Project Area

Presenters: Tom Evans (Agency staff), Marta Fry (Landscape Architect)

Speakers: Bo Barnes, Corinne Woods, Steve Siskin

Commissioner Singh inquired about Mr. Bo Barnes' statement that Assemblywoman Loni Hancock had introduced Assembly Bill 1296 that would establish a San Francisco Bay Trail that may include Mission Bay, and asked if there was any funding to the Agency as part of the Assembly Bill.

Executive Director Rosen stated that staff was not aware of the Assembly Bill.

Commissioner Singh asked how many stalls there were in the restrooms, and if large crowds were anticipated at the park. Mr. Singh asked what kind of plants were proposed for the open space parcels.

Mr. Tom Evans, Assistant Project Manager, stated that the restroom would have one stall each for male and female. Mr. Evans stated that the restrooms would be intended for the users of the courts and trail, and added

that the open space was not intended for major events. Mr. Evans stated that a variety of plant materials was proposed along Mission Creek that would include native plants, a colorful array of grasses, shrubberies and trees.

Commissioner Singh thanked staff for the explanation and put forth a motion to adopt item 4 (e).

Commissioner Palamountain seconded Commissioner Singh's motion to adopt item 4 (e). Ms. Palamountain asked where the maintenance building was proposed to be located.

Mr. Evans pointed the location of the maintenance building on the illustration board, which was adjacent to the maintenance yard near the Public Utilities Commission's (PUC) pump station building.

Commissioner Palamountain complimented the architect and designer for the creative design of the boat storage building, and working on a challenging site and making it accessible and useful, particularly for teen and young adult skateboarders.

Commissioner Dunlop complimented the architect for a beautiful and creative design, but echoed Commissioner Singh's concerns about the restroom facilities. Mr. Dunlop stated that with the proposed basketball, tennis and soccer courts, there would be a lot of people engaged in physical activities that may require numerous use of the limited restroom facilities. Mr. Dunlop asked if pampas grass was among the variety of grasses proposed for the open space, because the pampas grass, which was an imported species, was known to be destructive to the landscape. Mr. Dunlop requested verification that the boat ramp was wheelchair accessible.

Mr. Evans stated that staff would take another look at expanding the restroom facilities, possibly as part of the maintenance building.

Ms. Marta Fry, landscape architect, stated there would be no pampas grass among the variety of grasses proposed for the open space, and that Commissioner Dunlop was correct that the pampas grass was an invasive species that had been known to overwhelm the landscape. Ms. Fry stated they had the opportunity to see the wetlands vegetation on the nearby open spaces that had been successful and had proposed similar varieties of plant materials that were appropriate for maritime environment uses.

Mr. Evans affirmed that the boat ramp complied with the American with Disabilities Act (ADA) and was handicapped accessible.

President Romero added his compliments to the architect for a very creative and attractive design for such a challenging site under a freeway flyover.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (e) RESOLUTION NO. 46-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR MISSION CREEK PARK OPEN SPACE PARCELS NP4 AND NP5 IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB; LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) through 4 (i) were presented together and acted upon separately.

- 4(f) Resolution No. 47-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and conditionally authorizing a Fourth Amendment to the Mission Bay North Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay North Redevelopment Project Area
- 4(g) Resolution No. 48-2005, Authorizing a Tax Increment Loan Agreement, in an amount not to exceed five million six hundred thousand dollars (\$5,600,000) with Mission Bay Housing Partners, a California limited partnership, in conjunction with the development of 234 units of low and very low income rental housing (plus two manager's units) Block N5 (420 Berry Street); Citywide Affordable Housing Program
- 4(h) Resolution No. 49-2005, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an amount not to exceed \$35,000,000 to finance the construction of residential facilities for redevelopment purposes at 420 Berry Street; Agency Citywide Affordable Housing Program
- (i) Resolution No. 50-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving the combined basic concept and schematic design for Block N5, a residential project in the Mission Bay North Redevelopment Project Area, pursuant to an Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay North Redevelopment Project Area

Presenters: Amy Neches, Pam Sims (Agency staff), David Baker (Architect)

Commissioner Dunlop put forth a motion to adopt item 4 (f) and complimented staff for all its hard work. Mr. Dunlop stated he was impressed with the excellent financing arrangement that provided the Agency with \$6.1 million for its affordable housing program. Mr. Dunlop asked where the affordable units would be located within the project and asked if the townhouses along the sound wall would have diminished values.

Mr. Dunlop asked if there would be any vibrations on the development due to the trains.

Ms. Amy Neches, Senior Project Manager, stated that the affordable units would be spread out proportionately throughout the development, and would have the exact unit type, finishes and amenities as all other units. Ms. Neches stated staff did not think that the townhouses along the sound wall would have diminished values because the sound wall would be very thick and fully sound-rated, and staff actually thought that the townhouses would be very desirable. Ms. Neches added that staff and the architect had been working with engineers and CalTrans to determine the noise levels and the appropriate noise attenuation treatments, including sound-rated windows and ventilation to allow air circulation without opening windows.

Mr. David Baker, architect, stated there would not be vibrations from the trains, but residents would hear the trains when they first moved in, however, noises such as those from trains tend to be filtered out after a short period of time.

Commissioner Singh requested verification that the loan was for 35 years and asked what the interest rate was for the loan.

Ms. Pam Sims, Development Specialist, stated that the \$5.6 million loan would start as a construction loan and would roll into the permanent loan and would have a repayment term of 35 years. Ms. Sims stated that the construction loan had a rate of 5.7% and the permanent loan at 6%.

Commissioner Singh stated he was happy to see contractors from the Indian community and asked what the total development costs were for the project, and how much of the development costs were designated for minority contracts.

Ms. Neches stated that the total development cost was \$31 million and the Agency's goal for minority participation was 20% for Minority Business Enterprises and 18% for Women-Owned Business Enterprises. Ms. Neches explained that the Agency had only done the professional services portion of the proposed development, and the construction portion would also be done pursuant to the Agency's Equal Employment Opportunity Program.

Commissioner Singh urged staff to ensure an equitable distribution of the construction contracts. Mr. Singh seconded Commissioner Dunlop's motion to adopt item 4 (f).

Commissioner Palamountain asked for an explanation of the excess tax increment where the \$11.7 million grant was proposed to come from.

Ms. Neches stated that the excess tax increment was based upon a formula of when tax increment was no longer needed for infrastructure payments. The Agency's obligation to pay the excess increment in repayment of the notes, was totally contingent on its availability, and that was why staff was projecting based on the development schedule, the payments would start in 2009, when the infrastructure bonds were projected to be repaid, and development would have increased to the point where the Agency would have the excess increment. However, if development slowed down so that excess increment was not available until after 2009, the Agency would not make the payments, on the other hand, if development moved quickly, there would be this excess increment, which was a defined term in the Owner Participation Agreement (OPA) financing plan, available at an earlier time. Ms. Neches stated at the time that the excess increment was available, which under all scenarios, staff believed that it would eventually be available, the Agency was obligated under the OPA to take half of the excess increment and give it to the developer as its share to pay off the very low-income notes, and the other half would stay with the Agency to help subsidize affordable housing development. Under the proposed scenario, the Agency would make the loan up front and the Agency would keep all of the excess increment for affordable housing.

Commissioner Palamountain requested confirmation that payments to the excess increment was still projected to begin in 2009. Ms. Palamountain asked if the Agency was required to use the excess increment for affordable housing purposes in Mission Bay. Ms. Palamountain asked for an explanation of the affordability tenure of the very low-income units.

Ms. Neches confirmed that staff projected the payments to the excess increment to start in 2009. Ms. Neches affirmed that the Agency was required to use the excess increment for affordable housing purposes in Mission Bay. Ms. Neches stated the affordable units would be developed and operated as part of the overall project, and all of the 134 very low-income units, 36 of which were Agency units, would be affordable for 75 years, even if the bonds were paid off. Ms. Neches stated that as Ms. Sims described earlier, the other units were Tax Credit Allocation Committee (TCAC) affordable units, which had somewhat higher affordability levels, also had income restrictions, and would be affordable at their levels, for 75 years, regardless if the bonds were paid off or not.

Commissioner Palamountain stated she understood that the parcel was a challenging site to design and develop, but she was concerned that a substantial percentage of Mission Bay's affordable housing units would be located on a site that was seemingly set apart from the rest of Mission Bay because of the location near the freeway, and the development might appear to look more like affordable housing than the rest of the housing in Mission Bay. Ms. Palamountain stated her concerns were triggered by what was

represented on the architectural renderings as a series of metal gates in front of the units, which did not seem attractive, nor the stucco material proposed for the structures.

Ms. Neches stated that the private road was the entry way to the project and to the parking lot and the metal gates were security gates, which would slide closed and require some kind of key-card access for entry. This was the standard for the type of development and staff would work closely with the developer and the architect to provide architecturally-inspired gates and not just chain-link or something that was forbidding looking, but the project would need security gates. Ms. Neches stated staff wanted to make sure that the development was safe for everyone, even late at night. Ms. Neches stated she thought that this would be a distinctive project because the architect, David Baker designed distinctive and colorful projects and staff felt that it would be a high-quality project, particularly because of the expanded sidewalks that would provide planting zones, with individual entries to each of the units, to give the feeling of individual townhouses, as well as accessible interior courtyards, which staff thought would give the development the feeling of a community, rather than a "project." Ms. Neches stated that the development had distinctive materials that were in parity with other affordable housing developments as well as other market-rate housing developments.

Commissioner Palamountain thanked Ms. Neches for her explanation and stated she was glad to hear that there would be trees and planting zones that would give the development a sense of community. Ms. Palamountain stated she would continue to focus on the design elements as the project moved forward.

Commissioner Singh asked what rental costs would be for the various unit sizes.

Ms. Neches enumerated the following: for the very low-income units, studios would rent for \$785 a month, the one-bedroom units for \$892 a month, and the two-bedroom units for \$979 a month. The 70% AMI units would have a rental cost of between \$1,200 and \$1,300 a month for the two-bedroom units, and slightly lower rents for the studios. Ms. Neches pointed out that the current rents were based on 2005 figures, and staff anticipated that the actual rents may increase slightly when the development was scheduled to complete in 2007.

President Romero thanked the staff and consultants for a well-prepared and very thorough presentation. Mr. Romero complimented the design and stated that the proposed development looked more like a gated community than a "project," and commended the architect for the innovative design solution for a challenging site.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (f) RESOLUTION NO. 47-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY AUTHORIZING A FOURTH AMENDMENT TO THE MISSION BAY NORTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (g) RESOLUTION NO. 48-2005, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED FIVE MILLION SIX HUNDRED THOUSAND DOLLARS (\$5,600,000) WITH MISSION BAY HOUSING PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE DEVELOPMENT OF 234 UNITS OF LOW AND VERY LOW INCOME RENTAL HOUSING (PLUS TWO MANAGER'S UNITS) BLOCK N5 (420 BERRY STREET); CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (h) RESOLUTION NO. 49-2005, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$35,000,000 TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES FOR REDEVELOPMENT PURPOSES AT 420 BERRY STREET; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (i) RESOLUTION NO. 50-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR BLOCK N5, A RESIDENTIAL PROJECT IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (j) and 4 (k) were presented together and acted upon separately.

- 4(j)** Resolution No. 51-2005, Authorizing an option to ground lease, a management agreement, and a ground lease with Mercy Housing California, a California nonprofit public benefit corporation, for the property at 9th and Jessie Streets, Block 3508, a portion of Lot 51, within the Mid-Market Redevelopment Survey Area; for the development of 104 units of 104 units of very low income senior rental units; Citywide Tax Increment Housing Program
- 4(k)** Resolution No. 52-2005, Authorizing an option to ground lease and a ground lease with Mercy Housing California XIV, a California limited partnership, for the property at 10th and Mission Streets, Block 3508, Lots 26 and 27, in the Mid-Market Redevelopment Survey Area; for the development of approximately 130 units of very low income family rental units; Citywide Tax Increment Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Palamountain put forth a motion to adopt item 4 (j) and asked staff for an assurance that it had a fall-back plan should the Department of Housing and Urban Development (HUD) Section 202 funding not come through.

Ms. Elizabeth Colomello, Development Specialist, stated that staff did have a fall-back plan should the HUD Section 202 funding not go forward.

Commissioner Dunlop thanked Ms. Colomello for an excellent presentation and seconded Commissioner Palamountain's motion to adopt item 4 (j).

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (j) RESOLUTION NO. 51-2005, AUTHORIZING AN OPTION TO GROUND LEASE, A MANAGEMENT AGREEMENT, AND A GROUND LEASE WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PROPERTY AT 9TH AND JESSIE STREETS, BLOCK 3508, A PORTION OF LOT 51, WITHIN THE MID-MARKET REDEVELOPMENT SURVEY AREA; FOR THE DEVELOPMENT OF 104 UNITS OF 104 UNITS OF VERY LOW INCOME SENIOR RENTAL UNITS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (k) RESOLUTION NO. 52-2005, AUTHORIZING AN OPTION TO GROUND LEASE AND A GROUND LEASE WITH MERCY HOUSING CALIFORNIA XIV, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE PROPERTY AT 10TH AND MISSION STREETS, BLOCK 3508, LOTS 26 AND 27, IN THE MID-MARKET REDEVELOPMENT SURVEY AREA; FOR THE DEVELOPMENT OF APPROXIMATELY 130 UNITS OF VERY LOW INCOME FAMILY RENTAL UNITS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.
7. **REPORT OF THE PRESIDENT** None.
8. **REPORT OF THE EXECUTIVE DIRECTOR**
 - Executive Director Rosen informed the Commission that Mrs. Mary Helen Rogers celebrated a special birthday last week, and wished her a happy birthday and good health.
 - Valencia Gardens groundbreaking ceremony on March 21st, at 11:45 a.m., Guerrero Street between 14th and 15th Streets.
 - March 22nd PIDC Board Meeting had been cancelled.
 - Transbay Redevelopment Plan adoption scheduled at the Board of Supervisors Land Use Committee on March 23rd, at the Finance and Audits Committee on March 24th, and at the full Board sitting as a Committee of the Whole on March 29th.
 - Western Addition A-2 Redevelopment Plan Amendment scheduled at the Board of Supervisors Land Use Committee on April 6th, and at the full Board on April 12th.
 - Mid-Market PAC approved (March 8th PAC meeting) the draft Mid-Market Redevelopment Plan and Planning Special Use District.
 - Visitation Valley proposed redevelopment survey area – Supervisor Sophie Maxwell conducted a hearing a few weeks ago and was intending to introduce a resolution at the Board of Supervisors' meeting earlier in the day (March 15th) to designate the Schlage Lock site and Leland Avenue commercial district as a redevelopment survey area. Supervisor Maxwell had requested the Agency to provide a proposed budget for the survey and planning work tasks for the proposed survey area. Agency staff would work closely with the Mayor's Office, the Planning Department and Supervisor Maxwell's office, and keep the Commission informed.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh stated he also wanted to wish Mrs. Mary Helen Rogers a happy birthday.

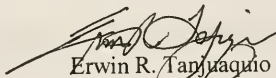
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations of an option to renew a commercial lease for office space at 1255 Post Street with the PM Realty Group, LP, as agent for owner. Agency negotiators: Marcia Rosen, Ayisha Benham, Joanne Sakai, James Nybakken, Tracie Reynolds and Nicole Franklin.
- (b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations of a sublease for office space at 1 South Van Ness with the City and County of San Francisco acting by and through the Municipal Transportation Authority. Agency negotiators: Marcia Rosen, Ayisha Benham, Joanne Sakai, James Nybakken, Tracie Reynolds and Nicole Franklin.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

April 5, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
5TH DAY OF APRIL 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of April 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:30 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

**Items 3 (a) through 3 (g) are related to the Hunters Point Shipyard
Community Facilities District No. 7**

- 3(a) Public hearing establishing Community Facilities District No. 7 covering portions of Phase 1; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 35-2005)

The Commission did not take action on item 3 (a) as it previously acted and declared its intention to establish Community Facilities District No. 7, via Resolution No. 5-2005 on January 18, 2005.

- 3(b) Resolution No. 36-2005, Adopting environmental findings pursuant to the California Environmental Quality Act, forming Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), authorizing the levy of a special tax, and preliminarily establishing an appropriations limit for the CFD; Hunters Point Shipyard Redevelopment Project Area
- 3(c) Resolution No. 37-2005, Determining necessity to incur bonded indebtedness of Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area
- 3(d) Resolution No. 38-2005, Calling a special election in Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area
- 3(e) Resolution No. 39-2005, Declaring results of special election in Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) and directing recordation of notice of special tax lien; Hunters Point Shipyard Redevelopment Project Area
- 3(f) Ordinance No. 1-2005, Adopting a Redevelopment Ordinance levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area
- 3(g) Resolution No. 41-2005, Authorizing the issuance and sale of special tax bonds for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) in an amount not to exceed \$40,000,000, authorizing the execution of an indenture of trust, and approving and authorizing related documents and actions; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne Sakai (Agency staff)

Speakers: Willie Ratcliff, Charlie Walker, Dr. Aimsha Sumchai, Linda Richardson, Abdalla Megahed, Rev. Arnold Townsend, Brian Donley, Dimone Hale, Jesse Mason, Dorris Vincent, Saul Bloom

Commissioner King stated he recalled the time when there was opposition to the developer Lennar/BVHP, but Lennar had worked very hard to become a good partner with the Agency during the last few years. Mr. King lent his support for the Community Facilities District No. 7 and stated that the bond issuance should proceed so that the construction of the infrastructure could commence right away and the development move forward. Mr. King stated that the Agency would continue its due diligence to monitor the development of the Shipyard with particular attention to equal employment opportunities and to safeguard the community benefits that had been agreed to. Mr. King put forth a motion to adopt item 3 (b).

President Romero clarified that no action was necessary for item 3 (a) as the Commission had already adopted a resolution establishing the Community Facilities District.

Commissioner Dunlop seconded Commissioner King's motion to adopt item 3 (b).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 3 (b), RESOLUTION NO. 36-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FORMING COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS), AUTHORIZING THE LEVY OF A SPECIAL TAX, AND PRELIMINARILY ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CFD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 3 (c), RESOLUTION NO. 37-2005, DETERMINING NECESSITY TO INCUR BONDED INDEBTEDNESS OF COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 3 (d), RESOLUTION NO. 38-2005, CALLING A SPECIAL ELECTION IN COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

President Romero asked the Commission Secretary to open the ballots and announce the results of the special election.

Commission Secretary Erwin R. Tanjuaquio opened the ballots and stated the following: "Mr. President, Commissioners, I am in receipt of the official ballots for the special tax and bond election from the qualified landowners, that being the Redevelopment Agency of the City and County of San Francisco and the developer, Lennar/BVHP LLC, and the results of the special election are as follows: from the Redevelopment Agency, we have a yes vote; and from the developer, Lennar/BVHP LLC, we also have a yes vote. Mr. President, I shall now prepare and complete a canvass and statement to record the official results of the special election."

President Romero stated the following: "The results of the election being unanimously in favor of the levy of the special taxes, the establishment of the appropriations limit and the incurring of bonded indebtedness, we may now proceed with the final actions for the District."

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 3 (e), RESOLUTION NO. 39-2005, DECLARING RESULTS OF SPECIAL ELECTION IN COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS) AND DIRECTING RECORDATION OF NOTICE OF SPECIAL TAX LIEN; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 3 (f), ORDINANCE NO. 1-2005, ADOPTING A REDEVELOPMENT ORDINANCE LEVYING SPECIAL TAXES WITHIN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 3 (g), RESOLUTION NO. 41-2005, AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX BONDS FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS) IN AN AMOUNT NOT TO EXCEED \$40,000,000, AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

CONTINUED FROM THE MARCH 15, 2005 COMMISSION MEETING

- 3 (h)** Resolution No. 43-2005, Authorizing a First Amendment to the Sublease Agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to: 1) remove buildings 101 and 110 from the leasehold premises; 2) make changes to related provisions clarifying the sublease agreement in light of the removal of the two buildings; and 3) making the term of the sublease coterminous with the Agency's master lease with the United States Department of the Navy; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 3 (h), RESOLUTION NO. 43-2005, AUTHORIZING A FIRST AMENDMENT TO THE SUBLEASE AGREEMENT WITH PATTERNS LIMITED, INCORPORATED, A CALIFORNIA CORPORATION, DOING BUSINESS AS THE POINT, TO: 1) REMOVE BUILDINGS 101 AND 110 FROM THE LEASEHOLD PREMISES; 2) MAKE CHANGES TO RELATED PROVISIONS CLARIFYING THE SUBLEASE AGREEMENT IN LIGHT OF THE REMOVAL OF THE TWO BUILDINGS; AND 3) MAKING THE TERM OF THE SUBLEASE COTERMINOUS WITH THE AGENCY'S MASTER LEASE WITH THE UNITED STATES DEPARTMENT OF THE NAVY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of March 15, 2005

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 15, 2005, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 53-2005, Authorizing a First Amendment to the Disposition and Development Agreement to revise the performance schedule and modify other terms and a First Amendment to the Predevelopment Loan Agreement to modify certain repayment terms with Fillmore Development

Associates, LLC, a California limited liability corporation, for a mixed-use project on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Speakers: Michael Johnson

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 53-2005, AUTHORIZING A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT TO REVISE THE PERFORMANCE SCHEDULE AND MODIFY OTHER TERMS AND A FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT TO MODIFY CERTAIN REPAYMENT TERMS WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR A MIXED-USE PROJECT ON AGENCY PARCEL 732-A; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (c) Resolution No. 54-2005, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an aggregate amount not to exceed \$10,125,000 to finance the acquisition and rehabilitation of residential facilities at 321 Clementina Street by Ceatrice Polite Apartments, L.P., a California limited partnership; Yerba Buena Center Redevelopment Project Area

Presenters: David Sobel (Agency staff)

Speakers: Diego Sanchez, Tom R. Quiblat, Josefa N. Llaguno, Hermogenes R. Impelido, Kwok S. Lam

President Romero thanked the residents for taking the time to come to the meeting and provide testimony.

Commissioner Singh lent his support for the project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (c) RESOLUTION NO. 54-2005, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$10,125,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF RESIDENTIAL FACILITIES AT 321

CLEMENTINA STREET BY CEATRICE POLITE APARTMENTS, L.P.,
A CALIFORNIA LIMITED PARTNERSHIP; YERBA BUENA CENTER
REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4(d) Resolution No. 55-2005, Authorizing a First Amendment to a Tax Increment Regulatory and Grant Agreement to: (1) increase the grant in an amount not to exceed \$6,343,036 for a total aggregate amount of \$8,922,184; (2) amend the schedule of performance; and, (3) assign the Tax Increment Regulatory and Grant Agreement, as amended, from Providence Foundation of San Francisco, a California non profit public benefit corporation, to Providence Senior Housing Corporation, a California non profit public benefit corporation, for the construction of 50 units of very low income senior rental housing at 4601-4603 Third Street; Bayview-Hunters Point Redevelopment Survey Area; Citywide Tax Increment Program

Presenters: Pam Sims (Agency staff)

Speakers: James Blanding, Timothy Gray, Charles Fowlkes, Gladys Buckner, Helen Lamar, Joan Pearson

Commissioner Palamountain put forth a motion to adopt item 4 (d) and thanked the Agency's partner, Providence Senior Housing Corporation for its vision and dedication. Ms. Palamountain stated that Providence's congregation was truly an inspiration and thanked them for coming to the meeting.

Commissioner Singh seconded Commissioner Palamountain's motion to adopt item 4 (d).

Commissioner Dunlop thanked members of the public for coming to the meeting and lent his support for the wonderful project that would keep the City's seniors in San Francisco.

President Romero added his congratulations to Providence and thanked them for all their hard work and their patience for waiting almost two and a half hours until the Commission was able to consider the item on the long agenda.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d), RESOLUTION NO. 55-2005, AUTHORIZING A FIRST AMENDMENT TO A TAX INCREMENT REGULATORY AND GRANT AGREEMENT TO: (1) INCREASE THE GRANT IN AN AMOUNT NOT TO EXCEED \$6,343,036 FOR A TOTAL AGGREGATE AMOUNT OF \$8,922,184; (2) AMEND THE SCHEDULE OF PERFORMANCE; AND, (3) ASSIGN THE TAX INCREMENT REGULATORY AND GRANT

AGREEMENT, AS AMENDED, FROM PROVIDENCE FOUNDATION OF SAN FRANCISCO, A CALIFORNIA NON PROFIT PUBLIC BENEFIT CORPORATION, TO PROVIDENCE SENIOR HOUSING CORPORATION, A CALIFORNIA NON PROFIT PUBLIC BENEFIT CORPORATION, FOR THE CONSTRUCTION OF 50 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT 4601-4603 THIRD STREET; BAYVIEW-HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT PROGRAM, BE ADOPTED.

- 4(e) Resolution No. 56-2005, Authorizing the execution of a Personal Services Contract with Ghirardelli Associates, Inc., a California corporation, for additional work related to the demolition/deconstruction of existing buildings on Parcel A in an amount not to exceed \$17,250 and an aggregate amount not to exceed \$112,988.80; Hunters Point Shipyard Redevelopment Project Area

Presenters: Kevin Masuda (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (e) RESOLUTION NO. 56-2005, AUTHORIZING THE EXECUTION OF A PERSONAL SERVICES CONTRACT WITH GHIRARDELLI ASSOCIATES, INC., A CALIFORNIA CORPORATION, FOR ADDITIONAL WORK RELATED TO THE DEMOLITION/ DECONSTRUCTION OF EXISTING BUILDINGS ON PARCEL A IN AN AMOUNT NOT TO EXCEED \$17,250 AND AN AGGREGATE AMOUNT NOT TO EXCEED \$112,988.80; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Workshop on the Agency's Fiscal Year 2005/06 Budget

- Affordable Housing Program
- Mission Bay North and South Redevelopment Project Areas
- Rincon Point – South Beach Redevelopment Project Area
- Yerba Buena Center Redevelopment Project Area
- Hunters Point Shipyard Redevelopment Project Area

Presenters: Mario Menchini, Olson Lee, Amy Neches, Joanne Sakai (Agency staff)

Commissioner King asked why the budget workshop was being conducted when there would be new Commissioners appointed to the Commission. Mr. King stated the workshop was being presented to Commissioners who would not be serving on the Commission and the new appointees should have the opportunity to review the Agency's proposed budget.

Executive Director Rosen stated that the workshop had been requested and agreed to by the Mayor's Budget Office.

Commissioner Yee inquired about SB2113 and recalled that there was an estimated \$200 million that would be generated and asked how much money was still remaining after the proposed expenditure of \$29 million in the proposed 2005/2006 Agency budget.

Executive Director Rosen stated Commissioner Yee was correct that when SB2113 was passed, the rough estimate was about \$200 million over a course of ten years, and staff still estimated about \$170 million over the course of ten years. The current 2004/2005 Agency budget had approximately \$15 million of bond proceeds from SB2113, and for the proposed 2005/2006 budget, there was approximately \$30 million from SB2113. Ms. Rosen stated that the Agency could issue debt from SB2113 until 2014, and because the effect of SB 2113 amendments on redevelopment plans required that the entire bond proceeds, that is 90% must be used for affordable housing development, with 10% for administrative purposes, the Agency could not do SB2113 amendments for the older redevelopment plans until the non-housing portion of the work program was completed. Ms. Rosen stated staff was phasing the SB2113 plan amendments as the Agency's work was completed for the older redevelopment projects like Yerba Buena Center and Western Addition. Ms. Rosen added that she and other Agency staff was available to answer Commissioners' questions on the Agency's proposed budget.

President Romero thanked Agency staff for the thorough and concise budget presentations.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.
7. **REPORT OF THE PRESIDENT**
 - President Romero reported that as everyone knew, the Mayor had announced two additional nominations to the Agency Commission.
8. **REPORT OF THE EXECUTIVE DIRECTOR**
 - Executive Director Rosen stated that with respect to the Mayor's nominees for the Commission, she did not yet have confirmation when

the nominees would be scheduled before the Board of Supervisors' Rules Committee. Ms. Rosen stated the Commission would be kept informed.

- Western Addition A-2 Redevelopment Plan Amendment scheduled at the Board of Supervisors Land Use Committee on April 6th, and at the full Board on April 12th.
- Transbay Redevelopment Plan had gone before the Board of Supervisors' Finance and Land Use Committees in the previous weeks, and was heard before the full Board of Supervisors on March 29th, which was continued to a special meeting of the Board held earlier in the day at 10:00 a.m. (April 5th). Ms. Rosen reported that there was favorable public comment and great interest from members of the Board of Supervisors at all of the public hearings. The Board's Land Use Committee had recommended some minor policy modifications to the proposed redevelopment plan and sent the matter back to the Agency Commission for its consideration. Agency staff anticipated scheduling the matter at the May 3rd Commission meeting, prior to the Board's continued hearing scheduled for May 10th.
- Supervisor Maxwell introduced legislation declaring a redevelopment survey area in Visitation Valley and staff was working with Supervisor Maxwell's office as well as the Mayor's Office on budgetary requirements to begin the planning, survey and environmental work, should the Board of Supervisors adopt the legislation.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee inquired about the composition of the Board of Directors for the Public Initiatives Development Corporation (PIDC) and asked how many members there were in the board of directors.

Executive Director Rosen stated the Agency Commission Secretary also assisted the PIDC Board and asked if he could inform the Commission of the PIDC Board of Directors' composition.

Commission Secretary Tanjuaquio stated the PIDC Board of Directors was composed of seven members as follows: The Commission President or his designee (Mark Dunlop), another Commissioner (Chris Palamountain), the Executive Director of the Mayor's Office of Housing (Matt Franklin), the Agency's Executive Director (Ms. Marcia Rosen), the Agency's Deputy Executive Director for Finance and Administration (Ayisha Benham), the Agency's Deputy Executive Director for Community and Economic Development (Joanne Sakai), and one vacant position, which was previously

held by Leamon Abrams, former Deputy Executive Director, who had left the Agency's employ.

- Commissioner Yee stated he asked the question because in reading an informational memorandum on the update of the Plaza Apartments development, he noticed a reference to a proposed contract with the Department of Public Health to help provide supportive housing services at the Plaza Apartments, and that such contract would be approved by the PIDC Board, the Health Commission and the Board of Supervisors. Mr. Yee stated that in his opinion, the Agency Commission was the policy and key decision maker on matters such as contracts, and stated he was concerned because only two members of the Commission were represented on the PIDC Board, he felt that staff had control instead of the Commission, on important matters such as letting of contracts. Mr. Yee stated that the Commission was not fully informed on the activities of PIDC, and stated he was curious if the composition of the PIDC Board of Directors was a requirement of law.

Executive Director Rosen stated the Agency Commission formed PIDC as a separate organization and adopted a Cooperative Agreement between the Agency and PIDC, which established the rights and responsibilities of PIDC. Ms. Rosen stated the Agency and PIDC staff had been operating under the directions of the Commission through the Cooperative Agreement with PIDC. Ms. Rosen stated that all of the Commissioners were provided with all of the meeting notices for PIDC, the full agenda packets, as well as meeting minutes. In addition, all PIDC board meetings are public meetings and are subject to the Brown Act, and PIDC directors as well as staff would be available to speak with any Commissioner, if requested.

- Commissioner Yee stated his main concern was the composition of the Board of Directors and asked why there could not be more representation from the Agency Commission. Mr. Yee stated there may be other developments that PIDC could undertake after the completion of the Plaza Apartments project, and stated he did not think it was appropriate that staff had a majority over Commissioners, on the Board of Directors.

Executive Director Rosen stated the Commission adopted the PIDC by-laws, which specified the composition of the Board of Directors.

- Commissioner Yee requested verification that the Agency Commission could amend the PIDC by-laws, if it chose to.

Executive Director Rosen stated staff could look at the PIDC by-laws and report back to the Commission on the procedure for amending the by-laws. Ms. Rosen stated she wanted to address Commissioner Yee's statement that

PIDC could undertake other developments in the future, and stated that PIDC could only do so if directed by the Commission because pursuant to its by-laws and the Cooperative Agreement, PIDC's activities is limited to the development of the Plaza Apartments project. Ms. Rosen offered to look into the procedures for amending the by-laws and to provide a report back to the Commission.

- Commissioner Yee stated that everyone was aware of the Mayor's 10-year plan to end chronic homelessness, and that from the total 3,000 units, one-half would come from existing single-room occupancy hotels and the other half from new construction. Mr. Yee stated he had received telephone calls from residents of the South of Market area with concerns that all 106 units in the Plaza Apartments would house formerly homeless people. Mr. Yee asked if the original intent for the Plaza Apartments was to house formerly homeless people.

Executive Director Rosen stated it was the Agency Commission's direction to PIDC to provide housing affordable at the deepest level, to the lowest income people feasible. It was always the Commission intent and PIDC's direction, to try to find a feasible plan for serving the neediest people. Ms. Rosen stated that the former residents of old Plaza Hotel, which were all successfully relocated, would have the right of first occupancy in the new Plaza Apartments.

- Commissioner Yee thanked the Executive Director for the explanation and stated he was glad to hear that former residents would have the right of first occupancy, because the rumor in the neighborhood was that all of the units in the new Plaza Apartments would be for formerly homeless people.
- Commissioner Palamountain stated she wanted to announce that the April 5th Commission meeting would be her last meeting as a Commissioner of the Redevelopment Agency. Ms. Palamountain stated it had been her honor to serve, and was a privilege she did not expect to have, but was certainly grateful to receive. Ms. Palamountain stated she wanted to thank staff for all of the inspiration that it had provided her for the past five years through their commitment and optimism, and most importantly, their professionalism. Ms. Palamountain stated staff had been her source of strength that allowed her to continue serving, particular the housing staff, and asked Mr. Olson Lee to convey her thanks for their dedication and hard work. Ms. Palamountain stated she also wanted to thank Executive Director Rosen, General Counsel Morales and executive staff in general, because she felt very proud to have been associated with the agenda that they had set, particularly the affordable housing agenda, and the tenaciousness with which they had pursued it. Ms. Palamountain thanked staff for its patience, persistence

and assistance and wished staff a lot of courage and a little luck, because she had a profound admiration for the hard work that they continue to do.

- President Romero stated it was his honor to serve with Commissioner Palamountain and in his opinion, she was the most hard-working Commissioner on the Commission. Mr. Romero stated that Ms. Palamountain was very dedicated and took her job as a Commissioner very seriously, and the citizens of San Francisco would be very proud of her service.
- Commissioner Dunlop stated he wanted to add his compliments and thanks to Commissioner Palamountain because he felt proud to be a Commissioner with her hard work and diligence. Mr. Dunlop stated it had been wonderful to work with Ms. Palamountain and her dedication to both process and attention to detail, in particular the Hunters Point Shipyard environmental issues, ensured that the public safety was indeed a priority. Mr. Dunlop thanked Ms. Palamountain for her great service.
- Commissioner Singh stated the Commission would miss Ms. Palamountain.

10. CLOSED SESSION

- (a) Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to renegotiation of the Disposition and Development Agreement and related documents. The property is located at 1881 Bush Street, San Francisco, California, 94109, Parcels 674 -C & F, Western Addition A-2 and the owner of the property with whom the Agency may negotiate with is Japanese American Religious Federation Assisted Living Facility, Inc. and its lender National Cooperative Bank Development Corporation. Agency negotiators: Olson Lee, Judy, Eng, David Sobel and Tracie Reynolds.

Staff recommended continuance of closed session items 10 (b) and 10 (c).


- (b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations of the Amendment to the Disposition and Development Agreement with The Mexican Museum for Parcel CB-1-MM, the north side of Mission Street between Third and Fourth Streets; Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Penny Nakatsu, Tracie Reynolds, and Judy Eng.

- (c) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: San Franciscans upholding the Downtown Plan v. City and County of San Francisco

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:58 p.m.

Respectfully submitted,



Erwin R. Tanguagiao
Agency Secretary

APPROVED:

April 19, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
19TH DAY OF APRIL 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of April 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:10 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
Mark Dunlop, Vice-President
Leroy King
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of April 5, 2005

4 (b) Resolution No. 57-2005, Authorizing a First Amendment to the Personal Services Contract with Robert W. Poyas, Inc., a California corporation, to extend the contract term for a maximum of six months and to increase the contract amount by \$48,000 for a total aggregate amount not to exceed \$371,000 for landscape maintenance services for Community Facilities District No. 1; Rincon Point South Beach Redevelopment Project Area

- 4 (c) Resolution No. 58-2005, Authorizing execution of a First Amendment to the 1255 Post Street Cathedral Hill office building commercial lease to extend the term to August 31, 2006 and adjust the rental rate effective April 1, 2005 with a total cost through the extended term not to exceed \$76,200

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF APRIL 5, 2005, 4 (b) RESOLUTION NO. 57-2005, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ROBERT W. POYAS, INC., A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM FOR A MAXIMUM OF SIX MONTHS AND TO INCREASE THE CONTRACT AMOUNT BY \$48,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$371,000 FOR LANDSCAPE MAINTENANCE SERVICES FOR COMMUNITY FACILITIES DISTRICT NO. 1; RINCON POINT SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 58-2005, AUTHORIZING EXECUTION OF A FIRST AMENDMENT TO THE 1255 POST STREET CATHEDRAL HILL OFFICE BUILDING COMMERCIAL LEASE TO EXTEND THE TERM TO AUGUST 31, 2006 AND ADJUST THE RENTAL RATE EFFECTIVE APRIL 1, 2005 WITH A TOTAL COST THROUGH THE EXTENDED TERM NOT TO EXCEED \$76,200, BE ADOPTED.

REGULAR AGENDA

- 4 (d) Ordinance No. 1-2005, Second reading of Redevelopment Ordinance levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) ORDINANCE NO. 1-2005, SECOND READING OF REDEVELOPMENT ORDINANCE LEVYING SPECIAL TAXES WITHIN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (c) Resolution No. 59-2005, Authorizing a façade improvement loan in an amount not to exceed \$35,000, a tenant improvement loan in an amount not to exceed \$90,000, and a business assistance loan in an amount not to exceed \$75,000, for a total aggregate amount of \$200,000, all with Sheba Lounge, LLC, a California limited liability company, in connection with establishing a restaurant at 1419 Fillmore Street; in the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2

Presenters: Nicole Franklin (Agency staff)

Speakers: Rev. Arnold Townsend, Ace Washington, Gus Harput, Charles Spencer

Commissioner King put forth a motion to adopt item 4 (e) and stated his enthusiastic support for the item. Mr. King stated he looked forward to the good food, good music and hoped that the Commission would support the loans.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (e) and asked what kind of food would be served at the restaurant at what prices.

Ms. Netsanset Alemayehu of Sheba Lounge, stated that American continental food like sandwiches and salads would be served, at under \$10.00.

Commissioner Singh recalled earlier testimony from Rev. Arnold Townsend that Mrs. Mary Rogers was in the hospital, and asked that the Commission Secretary purchase flowers for Mrs. Rogers, on behalf of the Commission.

Commissioner Dunlop lent his support for the project and looked forward to the opening of the restaurant.

Commissioner Yee stated he looked forward to the opening of the restaurant and would drop by to sample the food.

President Romero wished Sheba Lounge good luck and success. Mr. Romero shared that he had eaten at the Sheba restaurant on Telegraph Hill in Berkeley.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (e) RESOLUTION NO. 59-2005, AUTHORIZING A FAÇADE IMPROVEMENT LOAN IN AN AMOUNT NOT TO EXCEED \$35,000, A TENANT IMPROVEMENT LOAN IN AN AMOUNT NOT TO EXCEED \$90,000, AND A BUSINESS ASSISTANCE LOAN IN AN

AMOUNT NOT TO EXCEED \$75,000, FOR A TOTAL AGGREGATE AMOUNT OF \$200,000, ALL WITH SHEBA LOUNGE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN CONNECTION WITH ESTABLISHING A RESTAURANT AT 1419 FILLMORE STREET; IN THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (f) and 4 (g) were presented together and acted upon separately.

- 4 (f)** Resolution No. 60-2005, Authorizing the assignment of a purchase and sale agreement from Episcopal Community Services, a California nonprofit public benefit corporation, and the acquisition of the property at 1350 Folsom Street, 275 10th Street and 72 Dore Street from Milgran Family Trust for an amount not to exceed \$4,000,000, all in conjunction with the construction of 140 very low income rental units; Citywide Tax Increment Housing Program
- 4 (g)** Resolution No. 61-2005, public hearing and Authorizing a ground lease with Episcopal Community Services, a California nonprofit public benefit corporation, for the property at 1350 Folsom, 275 10th Street and 72 Dore Street in conjunction with the development of 140 very low income rental units; Citywide Tax Increment Housing Program

Presenters: Joel Lipsky, Teresa Yanga (Mayor's Office of Housing), Ken Reggio (Episcopal Community Services)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f), RESOLUTION NO. 60-2005, AUTHORIZING THE ASSIGNMENT OF A PURCHASE AND SALE AGREEMENT FROM EPISCOPAL COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND THE ACQUISITION OF THE PROPERTY AT 1350 FOLSOM STREET, 275 10TH STREET AND 72 DORE STREET FROM MILGRAN FAMILY TRUST FOR AN AMOUNT NOT TO EXCEED \$4,000,000, ALL IN CONJUNCTION WITH THE CONSTRUCTION OF 140 VERY LOW INCOME RENTAL UNITS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g), RESOLUTION NO. 61-2005, AUTHORIZING A GROUND LEASE WITH EPISCOPAL COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PROPERTY AT 1350 FOLSOM, 275 10TH STREET AND 72 DORE STREET IN CONJUNCTION WITH THE DEVELOPMENT OF 140 VERY LOW INCOME RENTAL UNITS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Items 4 (h) and 4 (i) were presented together and acted upon separately.

- 4(h)** Resolution No. 62-2005, Authorizing a Tax Increment Grant Agreement with 650 Eddy, L.P., a California limited partnership, in an amount not to exceed \$1,000,000, in conjunction with the development of approximately 81 units of supportive rental housing at 650 – 666 Eddy Street for very low income formerly homeless families and individuals; Citywide Tax Increment Housing Program
- 4 (i)** Resolution No. 63-2005, Authorizing an Option Agreement with 650 Eddy, L.P., a California limited partnership, and the acquisition of the property at 650 – 666 Eddy Street, all in conjunction with the construction of approximately 81 units of supportive rental housing for very low-income formerly homeless families and individuals; Citywide Tax Increment Housing Program

Presenters: Anne Romero (Mayor's Office of Housing)

Commissioner Singh put forth a motion to adopt item 4 (h) and asked how many parking spaces would be provided as part of the development.

Mr. Don Falk of the Tenderloin Neighborhood Development Corporation, stated that the approved plans had 17 parking spaces, and they would consider reducing the number of spaces depending upon the demands of the potential tenants.

Commissioner Dunlop seconded Commissioner Singh's motion and thanked staff for their thorough presentation.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (h), RESOLUTION NO. 62-2005, AUTHORIZING A TAX INCREMENT GRANT AGREEMENT WITH 650 EDDY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$1,000,000, IN CONJUNCTION WITH THE DEVELOPMENT OF APPROXIMATELY 81 UNITS OF SUPPORTIVE RENTAL HOUSING AT 650 – 666 EDDY STREET FOR VERY LOW INCOME FORMERLY HOMELESS FAMILIES AND INDIVIDUALS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (i), RESOLUTION No. 63-2005, AUTHORIZING AN OPTION AGREEMENT WITH 650 EDDY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND THE ACQUISITION OF THE PROPERTY AT 650

– 666 EDDY STREET, ALL IN CONJUNCTION WITH THE CONSTRUCTION OF APPROXIMATELY 81 UNITS OF SUPPORTIVE RENTAL HOUSING FOR VERY LOW-INCOME FORMERLY HOMELESS FAMILIES AND INDIVIDUALS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (j) Workshop II on the Agency's Fiscal Year 2005/06 Budget

- Western Addition Redevelopment Project Area A-2
- South of Market Earthquake Recovery Redevelopment Project Area
- Bayview Hunters Point Redevelopment survey Area
- Mid-Market Redevelopment Survey Area
- Transbay Redevelopment Project Area

Presenters: Mario Menchini, Nicole Franklin, Mike Grisso, Stan Muraoka, Lisa Zayas-Chien, (Agency staff)

Speakers: Ace Washington

President Romero asked for further explanation on the funds requested for a Project Area Committee (PAC) election for South of Market.

Mr. Mike Grisso, Project Manager, stated that the PAC was originally formed to advise the Agency on the plan amendment, and assuming that the Board of Supervisors adopted the plan amendment, Agency staff had received indication that the Board of Supervisors may recommend an election of the PAC. In anticipation of that eventuality, staff had put in a request for funds in the proposed 2005/2006 budget.

Commissioner Singh stated he would like to have a tour of the South of Market Project Area.

Mr. Mike Grisso stated he and staff would be happy to give Commissioner Singh and other Commissioners a tour of South of Market.

Commissioner Singh inquired about the lawsuit on the proposed Transbay Redevelopment Project Area and asked for an update.

General Counsel James B. Morales stated that about two weeks ago, the Superior Court indicated that it felt the Environmental Impact Report (EIR) for the Transbay Redevelopment Project Area was deficient. There had not been a final order issued yet, but staff expected that one would be issued on or about May 8th. The litigation was not directed against the Agency, but to the City and the Transbay Joint Powers Authority (TJPA), but because the litigation challenges the EIR, which the Agency relied upon for the adoption of the redevelopment plan, the litigation would have an impact on the

redevelopment plan adopted by the Agency and its activities in Transbay. Mr. Morales stated staff was continuing to consult with the City Attorney's Office and the TJPA on an appropriate strategy, but the Agency would continue to work towards final plan adoption. The Board of Supervisors was scheduled to consider adoption of the plan at its meeting on May 10th, and depending upon the scope of the court's order on the litigation, this would require the Agency Commission to take certain actions at its next meeting on May 3rd in response to the Board of Supervisors' request that the Commission consider certain changes to the plan and related documents. Mr. Morales stated staff was proceeding ahead on the assumption that the Board of Supervisors would be able to adopt the plan in light of the litigation, and the Commission would be kept apprised of any further developments.

President Romero stated he recalled that the Commission had previous discussion about the appropriateness of a PAC in the Western Addition and asked the Executive Director to respond to the public's testimony on the matter.

Executive Director Rosen stated that the Commission did engage in discussions at workshops and there were informational memoranda available for the Commission's reference. Ms. Rosen stated the California Community Redevelopment Law required the formation of a PAC, generally to guide the Board of Supervisors in the plan adoption where there was a risk of displacement of low-income residents, and in fact the Agency had a number of PACs in a number of survey and project areas that were in the plan adoption process. The Agency had other areas where there were no requirements for the formation of a PAC, and in those cases, the Commission and the Mayor had decided to appoint Citizens' Advisory Committees (CAC), so in most of the neighborhoods that the Agency worked in, the Agency was guided by CACs and not by PACs. Ms. Rosen stated that the Agency had PACs for only three survey/project areas; South of Market, Mid-Market, and Bayview Hunters Point. Ms. Rosen stated the speaker was correct that Western Addition did have a PAC during the early years of plan adoption. Ms. Rosen added that the articles of formation for PACs were adopted by the Board of Supervisors pursuant to State law.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. REPORT OF THE PRESIDENT

- President Romero shared that he attended the Board of Supervisors' Rules Committee meeting on April 13th for the three nominated Agency Commissioners, and stated he believed the confirmations were before the full Board of Supervisors earlier (April 19th) in day. Mr. Romero stated he believed the three new Commissioners would be at the Commission's meeting on May 3rd after they were sworn-in by the Mayor.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated she wanted to confirm that the Board of Supervisors did confirm the appointment of three new Commissioners for the Agency, and was informed that they would be sworn-in the following week. Ms. Rosen announced that the three new Commissioners were, London Breed, Francee Covington, and Rich Peterson.

Ms. Rosen stated she wanted to take the opportunity to personally thank Commissioner Mark Dunlop for his years of service to the Commission and for his leadership and support. Ms. Rosen stated she enjoyed working with Mr. Dunlop and commended him for his dedication to civic participation and public service.

- The Board of Supervisors did approve the Western Addition A-2 Plan Amendment on second reading earlier (April 19th) in the day. Ms. Rosen stated there were good public hearings and feedback from the Board of Supervisors.
- The third year of the Fillmore Farmers' Market with live jazz café and art market to begin on Saturday, April 30th through the third week in November, from 9:00 a.m. to 1:00 p.m. The new location for the farmers' market would be on O'Farrell and Fillmore Streets, due to the scheduled start of construction on Parcel 732-A.
- Ms. Rosen reported that most of the bonds for the Hunters Point Shipyard Phase I development had been sold, so the financing was underway to begin the infrastructure development. Ms. Rosen added that the bonds were variable rate bonds.
- The PIDC Board meeting scheduled for April 26th had been cancelled. Ms. Rosen informed Commissioner Yee that staff had prepared an informational memorandum in response to his questions about the PIDC bylaws, and stated she would be happy to respond to additional questions from the Commission.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Dunlop stated that the April 19th Commission meeting would be his last meeting as a Commissioner. Mr. Dunlop stated that his tenure had been a wonderful experience and was grateful to former Mayor Willie L. Brown, Jr. for appointing him to the Agency Commission and the opportunity to serve the City. Mr. Dunlop stated he had mostly good working experience as a Commissioner, but like everything else, there were disagreements at times, but he was happy to say that throughout the Commission's deliberations, the public had been well-served. Mr. Dunlop expressed his deep thanks to the Agency staff and stated that he had not met harder working public servants than the Agency staff, and that he and his dog Otis would miss every one of the Agency's staff. Mr. Dunlop thanked his fellow Commissioners and although they did not always agree, it was important for the public to know that the matters that came before the Commission were indeed debated fully, for the benefit of the public. Mr. Dunlop wished the incoming Commissioners good luck and stated he had nothing but good feelings, and thanked Mayor Gavin Newsom and wished him luck in achieving his goals as he leads the City.
- Commissioner Singh asked when the three new Commissioners would be sworn-in by the Mayor now that they had been confirmed by the Board of Supervisors.

Executive Director Rosen stated she had not heard any official word from the Mayor's Office, but the Commission Secretary would inform the Commission of the date.

- Commissioner Singh inquired about the election of officers and asked when that was scheduled to be calendared.

Executive Director Rosen stated the Commission, at its December 14, 2004 meeting, decided to conduct the election of officers when there was a fully seated Commission with seven Commissioners.

- Commissioner Singh put forth a motion to schedule the election of officers at the Commission meeting of May 17th. Mr. Singh stated he made the motion because he was not certain if he would be able to attend the May 3rd Commission meeting.
- President Romero stated his recollection was that the election of officers would take place at the first meeting after there was a fully-seated Commission with seven Commissioners. Mr. Romero stated he thought it would not be appropriate to conduct the election without all seven Commissioners in attendance.

- Commissioner Yee seconded Commissioner Singh's motion to schedule the election of officers at the Commission meeting of May 17th.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED, THAT THE ELECTION OF OFFICERS BE SCHEDULED AT THE COMMISSION MEETING OF MAY 17, 2005.

- Commissioner Yee inquired about the 1210 Scott Street property and asked for an update. Mr. Yee stated he recalled that the Jewish Community High School was interested in purchasing the property and asked if staff knew what the offer to purchase was, in terms of dollars.

Executive Director Rosen stated that as Ms. Nicole Franklin stated in her budget presentation for Western Addition, there was ongoing and active dialog with the CAC about appropriate uses for various properties in the Western Addition, and once there was agreement and recommendation on a particular property, staff would present a Request for Qualifications for the Commission's consideration. Ms. Rosen stated that she previously briefed the Commission in a closed session meeting about the 1210 Scott Street property, and she did not have information that would be appropriate for public discussion.

- Commissioner King shared that he visited Mrs. Mary Rogers at the hospital earlier in the day and stated that Mrs. Rogers was not doing very well and that she was scheduled to be transferred to a convalescent home in the next few days. Mr. King asked that something appropriate be sent to Mrs. Rogers from the Commission to give her the Commission's best wishes for a speedy recovery. Mr. King stated he would suggest that the April 19th Commission meeting be adjourned in honor of Mrs. Rogers.

The Commission gave it unanimous consent to adjourn the April 19th Commission meeting in honor of Mrs. Mary Rogers.

Executive Director Rosen informed the Commission that Ms. Nicole Franklin of the Agency staff had been in contact with Mrs. Rogers and staff had sent her a get-well card and flowers. Ms. Rosen stated she hoped that Mrs. Rogers was listening to the radio broadcast to hear the well wishes of the Commission and staff.

- President Romero stated he wanted to personally thank Commissioner Mark Dunlop for his many years of service to the Agency and that the citizens of San Francisco should be very proud of Mr. Dunlop's service to the City. Mr. Romero stated Mr. Dunlop had worked very hard and

had gone through a great deal of adversity, because at times the politics of the Commission were rough and sometimes personal, and yet, Mr. Dunlop was so gracious to say that sometimes there was just disagreement among the Commissioners. Mr. Romero stated that Mr. Dunlop was leaving the Agency Commission with the class that he had, because as a Commissioner, Mr. Dunlop had taken interest in everyone that had come before the Commission, and not just one segment of the populace. Mr. Romero stated he had taken note of the fact that Mr. Dunlop had gone out of his way to really listen to all members of the public and complimented him on his savvy political skills, but more importantly, Mr. Dunlop's genuine humanity and high regard for the well-being of all San Francisco's citizens. Mr. Romero stated on behalf of all San Franciscans, he wanted to thank Mr. Dunlop and wished him well in all his future endeavors.

10. CLOSED SESSION

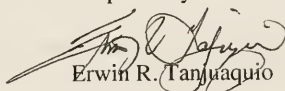
Item 10 (a) continued from the April 5, 2005 Commission meeting

- (a) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: San Franciscans upholding the Downtown Plan v. City and County of San Francisco

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:06 p.m. The April 19, 2005 Commission meeting was adjourned in honor of Mrs. Mary Rogers with the Commission and staff's wishes for a speedy recovery

Respectfully submitted,


Erwin R. Tanguaquito
Agency Secretary

APPROVED:

May 3, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
3RD DAY OF MAY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 3rd day of May 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

May 3, 2005 is the first Commission meeting for newly appointed Agency Commissioners London Breed, Francee Covington, and Richard H. Peterson, Jr.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
London Breed
Francee Covington
Leroy King
Richard H. Peterson, Jr.

And the following were absent:

Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of April 19, 2005
- 4 (b) Resolution No. 64-2005, Authorizing a Sixth Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, ("MEI") a California nonprofit public benefit corporation and California Properties of Woman's Division, Inc., a California nonprofit public benefit corporation, to revise the schedule of performance in conjunction with the occupancy of 88 extremely low- and very-low income rental units for women, 1040 Bush Street, Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF APRIL 19, 2005, AND 4 (b) RESOLUTION NO. 64-2005, AUTHORIZING A SIXTH AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH INN, ("MEI") A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION AND CALIFORNIA PROPERTIES OF WOMAN'S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE THE SCHEDULE OF PERFORMANCE IN CONJUNCTION WITH THE OCCUPANCY OF 88 EXTREMELY LOW- AND VERY-LOW INCOME RENTAL UNITS FOR WOMEN, 1040 BUSH STREET, CITYWIDE TAX INCREMENT HOUSING PROGRAM BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 65-2005, Approving the proposed budget for the period July 1, 2005 through June 30, 2006 and authorizing the Executive Director to submit the budget to the Mayor's Office

Presenters: Mario Menchini (Agency staff)

Speakers: John Elberling, Charles Spencer, Angelo King

Commissioner Covington referred to the job training line item in the proposed budget in the amount of \$1,000,000, and asked staff to provide some specific programs as to what the money would be used for.

Executive Director Rosen stated the Agency, for many years, had supported community-based nonprofit employment training and placement agencies that served project area residents and helped place those residents in jobs generated by redevelopment activities. The Agency entered into a letter

agreement with the Private Industry Council, to administer the contracts with the three groups, Ella Hill Hutch in the Western Addition, Young Community Developers in the Bayview Hunters Point, and the South of Market Employment Center, which is a part of the Mission Hiring Hall. Ms. Rosen stated that the contracts were administered by the Private Industry Council, but the contract terms were established by the Agency under three-year contracts with each group. Ms. Rosen stated the \$1,000,000 amount in the proposed budget was the cumulative amount for the annual cost of the three contracts. Their scope of services was directly related to working with project area residents and developers and employers within the project areas. Ms. Rosen stated the Agency received annual reports on the nonprofits' activities and could provide additional information to the Commission.

President Romero stated it would be beneficial for the three new Commissioners if the Executive Director provided an overview of the budget approval process.

Executive Director Rosen stated the Agency worked very closely with the Mayor's budget office in the initial preparation of the Agency's budget. Ms. Rosen stated the Agency's project managers prepared their base budgets based upon the five-year project area implementation plans adopted by the Agency Commission. Ms. Rosen stated the Agency was required to include in its annual budget, its goals and objectives, prior year accomplishments and proposed programs for the year, and the Agency's programs involved multi-year work tasks with funding over a course of time. Ms. Rosen stated staff would begin preparing the upcoming fiscal year budget in December with workshops before the Commission and if requested, presentations to the Citizens' Advisory and Project Area Committees, with ongoing consultation with the Mayor's budget office. The Agency's proposed budget would then be submitted to the Mayor's Office after the Commission considered and approved it, and then the Mayor's Office would submit it to the Board of Supervisors, which would conduct two public hearings in June and consideration in July.

Commissioner Breed asked if the Fillmore Jazz Preservation District Merchants Association had previously addressed the Commission on the subject of the Promotions Office and if there had been any correspondence or requests to the Commission.

President Romero stated there had been previous discussions at the Commission about the Promotions Office and asked the Executive Director to elaborate.

Executive Director Rosen stated she had not had the opportunity to read the letter that Mr. Charles Spencer distributed at the Commission meeting, but the Merchants Association had raised a number of concerns about the

Promotions Office, and the Commission did delay action for one month on the Promotions Office operating budget to allow time for more meetings between the merchants, Citizens' Advisory Committee, and the Agency, as well as meetings with Supervisor Ross Mirkarimi. Ms. Rosen stated she believed that the Commission, in its approval of the three-year operating budget for the Promotions Office, did take into account the concerns raised by the Merchants Association. Ms. Rosen stated in response to Mr. Charles Spencer's testimony that there was conflict of interest with the Promotions Office operating budget and the contract with the vendor that administered the budget, the Agency's general counsel had reviewed the matter and found no conflict of interest. Ms. Rosen stated that in order to provide more clarity and transparency on the matter, staff had scheduled for the May 17th Commission meeting, technical amendments to both the operating budget and the personal services contract.

Commissioner Breed stated she would like to know specifically what the Merchants Association wanted from the Agency or from the contractor.

President Romero stated that the Commission did conduct two meetings about the Promotions Office operating budget and there was a number of testimonies from the public including the Merchants Association, so there was ample opportunity to air those concerns.

Commissioner Peterson inquired about the proposed park at Columbia and Harrison Streets (Mr. John Elberling's testimony) and asked the Executive Director to provide an historical background.

Executive Director Rosen stated that the matter had previously been brought to her attention, but she had not had the opportunity to read the letter from the South of Market Project Area Committee distributed at the Commission meeting. Ms. Rosen stated staff worked with the staff of the Recreation and Park Department and clarified that the proposed park was Recreation and Park Department project and not an Agency project, and the Recreation and Park Department was not requesting funds from the Redevelopment Agency to be put in the budget for their project. Ms. Rosen noted that the letter was addressed to the District Supervisor, Supervisor Chris Daly, the Redevelopment and Recreation and Park Commissions. Ms. Rosen stated she alerted the Mayor's Office of the funding request and was informed that the Mayor's Office would investigate the matter and consult with the Recreation and Park Department. Ms. Rosen added that ordinarily a funding request for a project from another City department would come from the City department to the Agency, and would be an agreement between the department and the Agency.

Commissioner King stated it was difficult for the new Commissioners to fully comprehend the Agency's budget without having reviewed it previously, and recalled that he wanted to postpone the budget workshops until the new Commissioners were on the Commission, but unfortunately, the Agency was bound by a time constraint to have the Agency's budget submitted to the Mayor's Office for the Board of Supervisors' consideration. Mr. King stated he understood that Executive Director Rosen had a full discussion of the Agency's budget with the three new Commissioners. Mr. King stated with regard to the letter from Mr. Charles Spencer of the Fillmore Jazz Preservation District Merchants Association, he understood that the concerns were discussed at the CAC meetings, and asked if the matter was discussed at a CAC meeting held the day before, on May 2nd.

Executive Director Rosen stated she believed there was a planning and development subcommittee meeting that was held on May 2nd, and she was informed that the proposed technical amendments to the Promotions Office operating budget and personal services contract with Cultural ID scheduled for the May 17th Commission meeting, were discussed and that representatives from the merchants association were planning to ask the Commission to delay action on the technical amendments. Ms. Rosen stated that the Promotions Office matter was not before the Commission, only the proposed 2005/2006 budget, and there was no funding request for the Promotions Office in the 2005/2006 budget, because the Commission had already approved the operating budget using existing Agency funds.

Commissioner King put forth a motion to adopt item 4 (c). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, (MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 65-2005, APPROVING THE PROPOSED BUDGET FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE, BE ADOPTED.

- 4 (d) Resolution No. 66-2005, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue tax exempt multifamily mortgage revenue bonds in one or more series in an amount not to exceed \$16,000,000 to finance the acquisition of residential facilities at 333 Baker Street; Citywide Affordable Housing Program

Presenters: Vanessa Dandridge (Agency staff)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (d) RESOLUTION NO. 66-2005, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE TAX EXEMPT MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$16,000,000 TO FINANCE THE ACQUISITION OF RESIDENTIAL FACILITIES AT 333 BAKER STREET; CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

Items 4 (e) through 4 (j) were presented together and acted upon separately.

- 4 (e) Resolution No. 67-2005, Adopting environmental findings and a statement of overriding considerations pursuant to the California Environmental Quality Act for the South of Market Redevelopment Plan Amendment and related documents and actions; South of Market Redevelopment Project Area
- 4 (f) Resolution No. 68-2005, Approving the Report on the Redevelopment Plan for the South of Market Redevelopment Plan Amendment and authorizing transmittal to the Board of Supervisors; South of Market Redevelopment Project Area
- 4 (g) Resolution No. 69-2005, Approving the proposed Redevelopment Plan Amendment for the South of Market Redevelopment Project Area and recommending its adoption by the Board of Supervisors; South of Market Redevelopment Project Area
- 4 (h) Resolution No. 70-2005, Adopting design guidelines for the Sixth Street Economic Revitalization Program; South of Market Redevelopment Project Area
- 4 (i) Resolution No. 71-2005, Authorizing the South of Market Redevelopment Plan Delegation Agreement with the Planning Department of the City and County of San Francisco; South of Market Redevelopment Project Area
- 4 (j) Resolution No. 72-2005, Commending the South of Market Project Area Committee; South of Market Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Patty Sokolecki, Brian Egg, T. J. Kniveton, Henry Karnilowicz, Antoinetta Stadlman, Deedee Carlson, Angus McCarthy, David Wilbur, Wilma Parker

Commissioner Breed inquired about the unreinforced masonry buildings in the project area and asked if the buildings were occupied or not being used. Ms. Breed asked if the surface parking lots were used as parking lots or were vacant.

Mr. Mike Grisso, Project Manager, stated that some of the unreinforced masonry buildings were occupied and some were vacant. Mr. Grisso stated the surface parking lots were being used as parking lots, but they were also categorized as vacant lots because they were underdeveloped.

Commissioner Peterson stated he believed that the idea was to strike a balance with the proposed redevelopment plan amendment that would address the community's issues. Mr. Peterson shared that he owned and managed quality apartment buildings not in San Francisco, and that he appreciated the sentiments of the property owner who testified about the use of eminent domain. Mr. Peterson stated he was assured by the Executive Director that eminent domain would not be used indiscriminately and only on limited situations, and urged the public to inform the Commission if that was not the case. Mr. Peterson stated he also appreciated and understood the testimony from Mr. David Wilbur about tenants' rights and that the plan amendment did achieve a real balance with the mixed-income housing proposed. Mr. Peterson stated he believed that the Commission would be attuned to these matters going forward.

Commissioner Covington stated she agreed with Commissioner Peterson's comments that a good balance had been achieved in the proposed plan amendment. Ms. Covington stated she was pleased to have the opportunity to visit the area on a walking tour the day before and was encouraged at the vision for the community and believed that the neighborhood would indeed become a wonderful place for residents, tenants, property and business owners, visitors and tourists alike. Ms. Covington stated her support for the proposed plan amendment and that the Commission should adopt the plan amendment.

President Romero stated he wanted to validate what his fellow Commissioners had said, that a good balance had been struck, because he recalled previous meetings where the debate was very much polarized. Mr. Romero stated he wanted to thank the property owners who had been coming to the meetings and had been very vociferous about protecting their interests and urged them to continue to stay organized and monitor how the Agency implemented the plan to ensure that there would be no abuse particularly with the use of eminent domain. Mr. Romero stated that if the Agency were to use eminent domain even in the limited and restrictive manner called for in the plan, the matter would come before the Commission, so there would still be an opportunity to address the Commission. Mr. Romero stated he did not recall in the past seven years he

had been on the Commission, that the Agency had every used the power of eminent domain in any of the redevelopment project areas. Mr. Romero stated that the Commission shared the concerns about the important issue of the use of eminent domain, and that he was glad to see Agency staff and the community including the PAC come to a compromise. Mr. Romero stated he would support the proposed plan amendment.

Commissioner King stated he lived through eminent domain when he lived on Geary Street and was displaced and had to move to Palo Alto, and when the Longshoremen's Union built St. Francis Square, he and his family were able to come back to San Francisco. Mr. King stated that when he was appointed to the Redevelopment Agency Commission, he wanted to ensure that the use of eminent domain was not abused by the Agency. Mr. King stated he recalled the beautiful Victorians in the Western Addition that were destroyed because of eminent domain. Mr. King stated he agreed that for South of Market, the Agency and the community had achieved a good understanding about how eminent domain would be used. Mr. King stated he would support the proposed plan amendment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (e), RESOLUTION NO. 67-2005, ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE SOUTH OF MARKET REDEVELOPMENT PLAN AMENDMENT AND RELATED DOCUMENTS AND ACTIONS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (f), RESOLUTION NO. 68-2005, APPROVING THE REPORT ON THE REDEVELOPMENT PLAN FOR THE SOUTH OF MARKET REDEVELOPMENT PLAN AMENDMENT AND AUTHORIZING TRANSMITTAL TO THE BOARD OF SUPERVISORS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (g) RESOLUTION NO. 69-2005, APPROVING THE PROPOSED REDEVELOPMENT PLAN AMENDMENT FOR THE SOUTH OF MARKET REDEVELOPMENT PROJECT AREA AND RECOMMENDING ITS ADOPTION BY THE BOARD OF SUPERVISORS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (h) RESOLUTION NO. 70-2005, ADOPTING DESIGN GUIDELINES FOR THE SIXTH STREET ECONOMIC REVITALIZATION PROGRAM; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (i) RESOLUTION NO. 71-2005, AUTHORIZING THE SOUTH OF MARKET REDEVELOPMENT PLAN DELEGATION AGREEMENT WITH THE PLANNING DEPARTMENT OF THE CITY AND COUNTY OF SAN FRANCISCO; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (j) RESOLUTION NO. 72-2005, COMMENDING THE SOUTH OF MARKET PROJECT AREA COMMITTEE; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (k) through 4 (m) were presented together and acted upon separately.

- 4(k)** Resolution No. 73-2005, Authorizing an agreement with Emporium Development, L.L.C., a Delaware limited liability company, and with Westfield Emporium, L.L.C. a Delaware limited liability company, to resolve issues regarding demolition of the Emporium building's office tower; Yerba Buena Center Redevelopment Project Area
- 4 (l)** Resolution No. 74-2005, Authorizing a settlement agreement and release of claims in the lawsuit entitled San Franciscans upholding the Downtown Plan, et al. v. City and County of San Francisco and its Department of Planning, et al., (San Francisco Superior Court, Case No. 05-504958, petition filed Feb. 4, 2005); Yerba Buena Center Redevelopment Project Area
- 4 (m)** Resolution No. 75-2005, Adopting an Agency historic preservation policy

Presenters: Amy Neches (Agency staff), Rich Hillis (MOEWD)

Speakers: Bruce Bonacher, Bland "Geegee" Platt

President Romero stated he was happy to see the parties come to agreement on a very important project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (k), RESOLUTION NO. 73-2005, AUTHORIZING AN AGREEMENT WITH EMPORIUM DEVELOPMENT, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY, AND WITH WESTFIELD EMPORIUM, L.L.C. A DELAWARE LIMITED LIABILITY COMPANY, TO RESOLVE ISSUES REGARDING DEMOLITION OF THE EMPORIUM BUILDING'S OFFICE TOWER; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (l), RESOLUTION NO. 74-2005, AUTHORIZING A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS IN THE LAWSUIT ENTITLED SAN FRANCISCANS UPHOLDING THE DOWNTOWN PLAN, ET AL. V. CITY AND COUNTY OF SAN FRANCISCO AND ITS DEPARTMENT OF PLANNING, ET AL., (SAN FRANCISCO SUPERIOR COURT, CASE NO. 05-504958, PETITION FILED FEB. 4, 2005); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (m) RESOLUTION NO. 75-2005, ADOPTING AN AGENCY HISTORIC PRESERVATION POLICY, BE ADOPTED.

- 4 (n) Resolution N^o. 76-2005, Commending and expressing appreciation to Mark Dunlop for his services upon the occasion of his departure from the Redevelopment Agency of the City and County of San Francisco

Presenters: President Ramon E. Romero

Speakers: Dorris M. Vincent

President Romero stated that he did not know how much one could say about Mr. Dunlop's dedication and staunch advocacy for the gay community and how meticulous he was in making sure that all communities were recognized and responded to by the Agency. Mr. Romero stated that Mr. Dunlop would be sorely missed.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT, ITEM 4 (n) RESOLUTION NO. 76-2005, COMMENDING AND EXPRESSING APPRECIATION TO MARK DUNLOP FOR HIS SERVICES UPON THE OCCASION OF HIS DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (o) Resolution No. 77-2005, Commending and expressing appreciation to Kathryn C. Palamountain for her services upon the occasion of her departure from the Redevelopment Agency of the City and County of San Francisco

Presenters: President Ramon E. Romero

Speakers: Dorris M. Vincent

President Romero stated that the commendation resolution for Ms. Palamountain hit the mark, because she was a very hard-working Commissioner who used her talent and legal mind and meticulous nature for the details on the conveyance of the Hunters Point Shipyard that made a tremendous impact in protecting the residents of the area. Mr. Romero stated that Ms. Palamountain would be sorely missed.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. SINGH AND MR. YEE ABSENT), THAT ITEM 4 (o) RESOLUTION NO. 77-2005, COMMENDING AND EXPRESSING APPRECIATION TO KATHRYN C. PALAMOUNTAIN FOR HER SERVICES UPON THE OCCASION OF HER DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (p) Workshop on the proposed Mid-Market Redevelopment Plan and Special Use District; Mid-Market Survey Area

Presenters: Lisa Zayas-Chien (Agency staff)

Speakers: Otto Duffy, Carolyn Diamond, David Wilbur, Pam Haiken, Kathlyn Diohep, Robert McCarthy

Commissioner Covington stated she had several questions as follows: (1) how many housing units were proposed for the Mid-Market Redevelopment Project Area; (2) how much money was estimated to be generated for the proposed arts fund; and (3) are the median income levels adjustable.

Ms. Lisa Zayas-Chien, Senior Planner, stated that over the life of the redevelopment plan, staff estimated about 3,300 new housing units could be built over 20 to 30 years. Ms. Zayas-Chien stated that there currently existed 1,700 housing units within the project area, and when added to the proposed new housing, the total housing program for Mid-Market would total approximately 5,000 units. Ms. Zayas-Chien stated she wanted to emphasize the two-prong approach for Mid-Market that would involve a redevelopment program as well as a Special Use District. Ms. Zayas-Chien stated that as tax increment revenue was generated in the project area, staff presumed that some of that money would be specifically utilized for the arts, culture and entertainment component in Mid-Market. In addition, the Special Use District would establish the arts fund, which would generate funds for the arts program.

Mr. Marshall Foster of the Planning Department, stated that the key issue in determining how much money could be generated for the arts fund was the balance between the arts credit and the Transfer of Development Rights (TDR) program. The City had an existing program that allowed the purchase of development credits from preservation buildings and transfer those credits to development sites, one of the areas where the City allowed such transfer was the Mid-Market area, and by allowing the new arts credit to be established, the City was creating a second option for the development community, to obtain not only a preservation credit, but also an arts credit on their developments. Mr. Foster stated that in looking at the range of how much credit would be necessary, staff was looking at the \$10 to \$20 million range; however, the key issue to keep in mind was that the exact amount that could be generated for the arts fund could not be determined because developers would have the option of establishing preservation credits or arts credits.

Executive Director Rosen stated that generally, the Agency as does other jurisdictions, use the statistical area median income, but State redevelopment law allowed expenditures for very low, low and moderate income housing for households earning up to 120% of the median. The City and Agency's policies target lower income households to ensure that lower income needs were met for incomes that exist in San Francisco. The Agency did not currently and had not for many years, subsidized housing developments beyond 100% of median, and in the Agency's inclusionary housing policy, which is called the Housing Participation Policy, the limit for homeownership was not greater than the median income, and for rental housing, the limit was not greater than 60% of median income, although for Agency housing subsidized projects, targeted incomes were usually lower than 60% of median income. Ms. Rosen stated staff did put in language in both the redevelopment plan and Special Use District those lower income limits in order to be consistent with the City and Agency policy for affordable housing development.

Ms. Zayas-Chien stated she wanted to emphasize that the proposed redevelopment plan included an affordable housing production goal of 20%, specified that not more than 100% of median income for homeownership, and not more than 60% of median income for rental housing. Ms. Zayas-Chien stated these represented the upper income limits and reiterated what Executive Director Rosen stated that the Agency targeted lower income levels in its affordable housing program.

Executive Director Rosen stated that inclusionary housing was just one component of the Agency's affordable housing commitment in the proposed redevelopment project area, whereas in non-redevelopment areas that were governed solely by the City's Planning Code, the inclusionary obligation of the Planning Code (Section 315), was the only thing that governed the production of housing, unless there was affordable housing subsidized by the Agency or the Mayor's Office of Housing in other parts of the City. Ms. Rosen stated that in the proposed Mid-Market Redevelopment Plan, the Agency had exceeded the State law requirements by committing that a minimum of 20% of all the housing production would be affordable. The Agency was also committing tax increment to the production of affordable housing and staff was also recommending what was called the anti-gentrification goal or housing preservation goal to assure that the number of existing low-rent housing units would be maintained in the project area. Ms. Rosen stated there were multiple mechanisms in place to maximize the production of affordable housing, with proposed new affordable housing developments in the project area that would be 100% affordable and permanently affordable that would result from the Agency's public investment.

Commissioner Breed asked when the proposed detailed plan for the arts component would become available.

Ms. Zayas-Chien stated staff anticipated working with the Planning Department to undertake a detailed study to determine who would administer the arts fund, and to establish the exaction amount per square feet that developers would pay into the arts fund. Ms. Zayas-Chien stated staff expected to complete the detailed study nine months following plan adoption. Ms. Zayas-Chien stated staff would work closely with the arts community to develop the policy guidelines for the arts fund.

President Romero stated he heard the concerns raised from members of the public about the parking and he heard very clearly the arguments about the residential parking, but wanted to hear more about how the plan addressed the issue of commercial parking.

Ms. Zayas-Chien stated staff had included in the proposed redevelopment plan the preparation of a Parking and Traffic Management Plan as a companion document to the redevelopment plan as soon as the plan was adopted, in order to address the commercial parking issues in Mid-Market. Ms. Zayas-Chien stated the outstanding issues on the redevelopment plan concerned the inclusion of goals to develop commercial parking facilities, and the fear was the mere inclusion of such a goal would result in the development of a commercial parking facility in the future, without further analysis and public debate. Ms. Zayas-Chien stated that staff intended to address this issue with the preparation of the Parking and Traffic Management Plan to establish broader policy guidelines on commercial parking facilities.

President Romero asked if the Parking and Traffic Management Plan would come before the Agency Commission and if the Agency had jurisdiction over the proposed plan. Mr. Romero stated it did not seem that there was a firm policy within the proposed redevelopment plan that addressed the issue of commercial parking. Mr. Romero stated he recalled that there already existed commercial parking facilities within proximity of the area at the Yerba Buena Parking Garage at Fifth and Mission Streets, and the Civic Center Parking Garage across City Hall.

Ms. Zayas-Chien stated that the Planning Code, which would govern the land use in Mid-Market, already required a conditional use authorization for commercial parking facilities, and any proposed parking facility would undergo public hearings and approvals before the Agency and Planning Commissions.

President Romero stated with regard to the concern raised about residential parking in particular, the above-ground three levels of parking, and Mr. Robert McCarthy's testimony about the cost impact on market-rate housing, asked if there were other parts of the City that had above ground parking, because he did not recall seeing such above-ground parking in residential buildings.

Mr. Marshall Foster of the Planning Department, stated that in the larger downtown area, the Planning Department had a set of parking controls, which generally allowed above ground parking. Mr. Foster stated that the Transbay and Rincon Hill areas, which were two comparable downtown areas where new high-density residential communities were planned, the Planning Department required the parking to be below ground. Mr. Foster stated that Mid-Market was a little different, with a different housing market and issues with the water table, and in light of those issues, the Planning Department felt it was appropriate to allow a bit more flexibility on the above ground parking.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Romero welcomed the three new Commissioners to the Agency Commission, Commissioners London Breed, Francee Covington, and Rich Peterson.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Fillmore Saturday Farmers' Market grand opening on April 30th with Commissioners Leroy King and Francee Covington in attendance. Open from 9:00 a.m. to 1:00 p.m. every Saturday through mid-November, at O'Farrell and Fillmore Streets.
- Annual Spring Open Studio at the Hunters Point Shipyard on May 7th and May 8th, from 11:00 a.m. to 6:00 p.m. Website – www.SpringOpenStudio.com
- Ms. Josephine Lee of the Agency's Contract Compliance staff, received a prestigious award from the Greater Los Angeles African-American Chamber of Commerce (GLAAACC). Ms. Lee received the "Minority Business Advocates Award" at the GLAAACC's Economic Awards dinner held on March 24th. Ms. Rosen added that Ms. Lee continued to work on various Agency projects, including the Museum of the African Diaspora, Jewish Museum and the Bloomingdale's development. Congratulations to Ms. Lee.
- Bloomingdale's project – Agency continued to work closely with Westfield Development and the Agency's job training and placement agencies in the South of Market, and last week, the Agency received an award from the First Source Hiring administration in the amount of \$370,000, which was part of a payment made by Forest City for the First Source Hiring Program. The Agency would use the money for the South of Market Employment Center to do training for the end-user jobs after completion of the Bloomingdale's development.

- Supervisor Sophie Maxwell had requested a public hearing regarding the expansion of UCSF into the Mission Bay area, scheduled before the Board of Supervisors' Land Use Committee on May 11th at 1:00 p.m.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed inquired about the job training for the Bloomingdale's project and encouraged staff to work with the Ella Hill Hutch Community Center.

Executive Director Rosen stated that the South of Market Employment Center was the lead agency for the job training program for the Bloomingdale's project, but they, along with the Ella Hill Hutch Community Center and Young Community Developers were part of the job training and placement agencies consortium, and they would all work together in the job training program.

- Commissioner Breed stated she appreciated staff providing visual aids like maps and photographs and urged staff to continue to do so. Ms. Breed inquired about the property at Eddy and Scott streets and asked staff to look into the possibility of the Agency working with the Housing Authority and the Department of Public Works to investigate appropriate uses for the property.

Executive Director Rosen stated that all Commissioners were welcomed to call her with their ideas or issues they hear about the Agency's work, and would investigate and report back to the Commission as appropriate. Ms. Rosen stated she would follow-up with Commissioner Breed on the property at Eddy and Scott Streets.

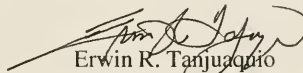
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to negotiation of a Disposition and Development Agreement and related documents. The property is located on a 1.6-acre portion of Block 7 in the Mission Bay south Redevelopment Project Area, on the most easterly part of that site fronting Third Street, and the party with whom the Agency may negotiate is The Regents of the University of California. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Amy Neches, and Jesse Blout (Mayor's Office of Economic and Workforce Development)

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Peterson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:50 p.m.

Respectfully submitted,


Erwin R. Tanjauddio
Agency Secretary

APPROVED:

May 17, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
17TH DAY OF MAY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of May 2005, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President
London Breed
Francee Covington
Leroy King
Richard H. Peterson, Jr.
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE DECEMBER 14, 2004 COMMISSION MEETING

- (a) Election of President and Vice President (calendar year 2005)

MR. YEE NOMINATED MR. PETERSON FOR THE OFFICE OF PRESIDENT. MR. KING SECONDED THE NOMINATION.

President Romero lent his support for Mr. Peterson's nomination and stated that it was important for the newly appointed Commissioners to assume leadership roles on the Commission to lead in the important work of the Agency.

Speakers: Ace Washington

THE COMMISSION VOTED UNANIMOUSLY TO ELECT RICHARD H. PETERSON, JR. AS THE COMMISSION PRESIDENT.

At this time, President Romero relinquished the Chair to newly elected President Richardson.

President Peterson stated it was an honor to be elected Commission President and thanked his fellow Commissioners for their support. Mr. Peterson stated that the position of Commission President was not something he lobbied for, but his election was indicative of the cooperative spirit among the Commissioners to work together. Mr. Peterson stated he looked forward to working very closely with all of the Commissioners and the public and hoped that his fellow Commissioners would be proud of their vote.

MS. COVINGTON NOMINATED MS. BREED FOR THE OFFICE OF VICE-PRESIDENT. MR. KING SECONDED THE NOMINATION.

Speakers: Ace Washington

Vice-President Breed thanked her fellow Commissioners for their support and confidence in her ability to serve as Commission Vice-President. Ms. Breed stated she wanted to assure the community that she was up to the task and was committed to working with the community to resolve issues.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of May 3, 2005

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. SINGH ABSTAINING) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF MAY 3, 2005, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 78-2005, Commending and expressing appreciation to Christopher Iglesias for twelve years of dedicated public service with the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen (Agency staff)

Speakers: Mary McCue, Arnold Townsend

Commissioner King congratulated Mr. Chris Iglesias and stated that Mr. Iglesias would do a great job at the Mayor's Office. Mr. King stated he recalled when Mr. Iglesias replaced Mr. Ben Hattem, the former manager of the Agency's Affirmative Action Program, and how hard Mr. Iglesias worked on the Working Group for the Agency's Equal Employment Opportunity Program. Mr. King stated that it was Mr. Iglesias who worked tirelessly to ensure that the negative impacts of Proposition 209 did not affect the minority contractors that worked with the Agency. Mr. King put forth a motion to adopt item 4 (b).

Commissioner Yee seconded Commissioner King's motion and congratulated Mr. Iglesias on his promotion. Mr. Yee stated he was very happy for Mr. Iglesias and his departure was a loss to the Agency and a gain for the Mayor's office. Mr. Yee commended Mr. Iglesias for his hard work and great help to minority contractors.

Commissioner Romero stated that in his seven years on the Commission, Mr. Iglesias had always exhibited the utmost professionalism in his work. Mr. Romero stated Mr. Iglesias was highly competent in the work that he did and was a testament to his promotion to the Mayor's Office. Mr. Romero commended Mr. Iglesias for his quiet demeanor in responding to tough questions from the Commission and thanked him for 12 years of dedicated service to the Agency. Mr. Romero stated it was very important to recognize the contributions of hard-working employees like Mr. Iglesias. Mr. Romero wished Mr. Iglesias the best of luck in his future.

Commissioner Singh stated he had known Mr. Iglesias for many years and thanked him for his help with the Indian community.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 78-2005, COMMENDING AND EXPRESSING APPRECIATION TO CHRISTOPHER IGLESIAS FOR TWELVE YEARS OF DEDICATED PUBLIC SERVICE WITH THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (c) Resolution No. 79-2005, Authorizing a Third Amendment to the Personal Services Contract with Cultural ID, a California limited liability company, to increase the third year of Cultural ID's contract by \$64,313 for an aggregate three year total amount of \$300,750, and to modify the scope of services, schedule of performance, and contract administration provisions related to consulting services for the Fillmore Jazz Preservation District Promotions Office; Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades (Agency staff)

Speakers: Mary Rogers, Daniel Landry, Randall Evans, Latoya Powell, Ace Washington, Gus Harput, Rev. Arnold Townsend, Ferda Martin, Latonia Grice, Charles Spencer, Agonafer Shiferaw

Commissioner Breed asked where the \$64,000 was coming from the Western Addition A-2 budget.

Executive Director stated that the \$64,000 was not from the proposed 2005-2006 Agency budget, rather the money was unexpended funds from a prior year budget, which staff was requesting the Commission to reprogram for the Promotions Office in response to the community's request for additional resources for promotional activities. This was a specific request from the Planning and Development Committee of the Western Addition A-2 Citizens' Advisory Committee (CAC). Ms. Rosen stated that in prior meetings with the Merchants Association, the association had requested additional funds for community-sponsored events beyond those specified in the Promotions Office budget. Ms. Rosen stated staff reviewed the prior year unexpended funds to see if there were some funds available to reprogram for this purpose with the goal of meeting the community's request for additional program funds, which would only be determined and could only be spent if the Promotions Office advisory group and the CAC recommended the expenditure, but that the operating budget would be maintained at the same level.

Commissioner Breed stated she was opposed to the proposed resolution and that when she served on the CAC, information was not provided so that the CAC could make an accurate judgment on the matter, and members of the CAC had expressed their interest to ensure that they had the appropriate information to make an informed decision on the matter. Ms. Breed stated it had been communicated to her that the CAC Planning and Development Committee did not make the recommendation that the funds come from the general Western Addition A-2 area. Ms. Breed stated she had problems with these two issues and the fact that a bookkeeper was not required by the Promotions Office. Ms. Breed stated she understood there was mention of a transition plan as part of the work of the Promotions Office in Western

Addition, but there had not been steps taken to work with a community organization to transition the promotional activities for the community, in terms of long-term employment opportunities for members of the community. Ms. Breed stated she believed that the Western Addition community did not have the sufficient amount of businesses to support such promotional activities, and that the funds could be better used to assist the small businesses to promote themselves rather than a Promotions Office to promote the district. Ms. Breed stated the small businesses were primarily supported and funded by the members of the community, and stated she had a problem with the whole concept of the Promotions Office. Ms. Breed stated that as a life-long resident of the Western Addition, she was not happy with the way the promotional activities for the community were done, and how the CAC was ignored and not provided the necessary information, and she was not happy to see the divisiveness in her community and among the organizations in Western Addition. Ms. Breed stated she wanted to ask her fellow Commissioners to follow her lead on this matter and not support the resolution for the third amendment to Cultural ID's personal services contract.

Commissioner Yee stated that based on his observation, Cultural ID seemed to have done a good job in the last two years, but he reserved the right to hear from the other Commissioners. Mr. Yee stated he was happy to see the great leader from Western Addition, Mrs. Mary Rogers who came to the meeting in spite of her illness, to share with the Commission her concerns. Mr. Yee advised members of the public to be respectful in addressing the Commission and to keep their comments within the three-minute time limit.

Commissioner Romero stated he would support Commissioner Breed's lead to not support the resolution. Mr. Romero stated he recalled that the Promotions Office issue had been a rollercoaster ride when staff first proposed it three years ago. Mr. Romero stated that initially there was opposition from the community and some of the Commissioners, but the Commission was persuaded to approve it and initially appeared to be successful. Mr. Romero stated he recalled that when the promotions office budget was before the Commission a year ago, everyone was very supportive with no opposition and thought that the consultant was doing a great job with the Farmers' Market, the jazz concerts and the foot traffic generated in the community. Mr. Romero stated he could not figure out what happened in the last year with the whole matter becoming a very negative situation with people fighting against each other. Mr. Romero stated that when issues become emotional, everyone tend to lose sight of what was specifically before the Commission. Mr. Romero stated he wanted to remind that the Commission had already approved the third year operating budget for the Promotions Office and requested verification from the Executive Director.

Executive Director Rosen affirmed that the Commission had approved the third-year operating budget for the Promotions Office and the proposed third amendment to the personal services contract before the Commission was staff's attempt to respond to some of the concerns raised by the CAC and from the Merchants Association to separate the compensation from the operating budget, so it would be clear how much was related to the contractor's compensation, how much was available for the programming, and to create a process by which there was oversight by the advisory committee to the Promotions Office and the CAC on the expenditure of the additional \$64,000. Ms. Rosen stated that pursuant to state redevelopment law, the money had to come from the Western Addition and not from another redevelopment project area. Ms. Rosen stated that the effect of not acting on the proposed third amendment would leave things in the status quo with an approved operating budget and an approved three-year personal services contract. Ms. Rosen stated that at the advice of General Counsel, staff would not recommend funding the compensation for a subcontractor whose costs were included in the operating budget. Ms. Rosen stated if the third amendment to contract was not approved, activities would continue, but there would not be compensation for a subcontractor whose time was factored into the cost of production, and this may result in the scaling back of the activities. Ms. Rosen added that one of the activities planned as part of the proposed third amendment to the contract was to work on the transition plan with the community.

Commissioner Romero thanked Ms. Rosen for the response and stated that was what he understood to be the case, and the matter before the Commission was whether or not to pay for work that had already been performed. Mr. Romero stated he did not see representatives from Cultural ID in attendance at the meeting and he understood why, given the present opposition after enjoying tremendous support for their work, with the Agency receiving an award from the California Redevelopment Association for the work of the Promotions Office. Mr. Romero stated maybe the Promotions Office should not exist given the actions the Commission had already taken, but he believed that was a decision to be considered a year from now. Mr. Romero stated the question before the Commission was whether or not to make the adjustments that were based on allegations made by some of the speakers that the Agency had violated the law. Mr. Romero stated he took very seriously those allegations and believed that the Commission could consider the existence of the Promotions Office a year from now. Mr. Romero stated he would not make any motion and believed that people had the right to be paid for work that had already been done.

Commissioner Covington asked what the total amount of unexpended funds was from the prior budget year, and if the funds could be used for replacing the Promotions Office or similar activities.

Executive Director Rosen stated she did not have the information at hand, but would provide it in an informational memorandum to the Commission. Ms. Rosen stated that included on the Agency's annual budget was a carryover of prior year savings, which was a revenue source that was included in the Agency's budget. Ms. Rosen stated staff was planning to work with the CAC and the community on a recommended transition plan including a funding plan that would be presented to the Commission. Ms. Rosen stated that a transition plan had not yet been developed and would be part of the scope of work for the third year of the contract. Ms. Rosen stated that in addition to the Promotions Office, the Commission had approved a contract with an organization to work with the Western Addition community to conduct a feasibility study to determine whether a business improvement district or community improvement district should be established in the Western Addition. Ms. Rosen stated that Commissioners may have seen the Mayor's press announcement that three other neighborhood commercial districts were going to go through the same planning process, and should that plan come to pass for the Western Addition, the improvement district could be a potential source of funds for similar or related activities in the future when the Western Addition A-2 Redevelopment Plan would terminate on January 1, 2009 when the Agency would no longer have jurisdiction or funding to expend in Western Addition.

Commissioner Covington stated the comments heard by the Commission centered around the Promotions Office budget, how the money was spent and a full accounting of the funds, and asked what level of detail was the contractor required to provide the Agency with their budget and how could the Agency obtain a full accounting so that the public also had the opportunity to review.

Executive Director Rosen stated it was her understanding that the CAC and the Merchants Association had seen every cancelled check issued by the Promotions Office, and in response to the Merchants Association's request, staff had prepared and provided a line-item description of all of the expenditures as well as supporting documentation for the expenditures. Ms. Rosen stated that the Agency had many contracts and that every contract was carefully monitored. Staff was satisfied with the supporting documentation and full accounting for every dollar spent for the Promotions Office. Contrary to statements by a member of the public, there had been no "double-dipping." The issue was that certain compensation for Cultural ID and their subcontractor was included in the operating budget. The scope of work was expanded for the second year rather than adding additional compensation into the personal services contract. The purpose of the proposed contract amendment was to provide more transparency on Cultural ID's compensation and the expenditures for the promotional activities including operation of the office itself. Staff believed that so doing would respond to the Merchants Association's request that would provide a better

base document for planning the transition, as it would more clearly indicate what the staffing costs associated with such operations were, the costs for maintaining the office, and the costs associated with producing the promotional activities.

Commissioner Covington thanked Ms. Rosen for her response and stated it was essential that the Agency prepare a document that was clear to people as to what happened with the money in order to settle the issues about sources of income and the outflow of money. Ms. Covington stated she was really concerned with the level of anger and anxiety expressed by members of the community on the Promotions Office, because it began with such promise and degenerated to quite a lackluster organization. Ms. Covington stated it was very important for the Agency to do all that was necessary to avail the merchants and members of the Western Addition community all that they need to make the community a vital and vibrant part of San Francisco, because the potential was still there and the Agency should do more to realize that potential.

Commissioner King stated he disagreed with an earlier statement (by another Commissioner) that everyone supported the Promotions Office, because he recalled voting against the Promotions Office and felt that the contractor should have been from the local community and not from San Jose. Mr. King stated he agreed with Commissioner Breed that the whole Promotions Office should be thoroughly reviewed. Mr. King stated he noticed that no one from Cultural ID even bothered to attend the Commission meeting and considered it an insult to him and the Commission to not show up for their contract. Mr. King put forth a motion to reject the proposed third amendment to the personal services contract with Cultural ID, because he believed that the money could be better used elsewhere in the community than to give it to the contractor.

Commissioner Breed stated she definitely would like a review and full accounting of the Promotions Office's expenditures, but in no event would she support any increase in the Promotions Office's budget because after spending a million dollars in a three-year period, the community would not be in any better shape than before the Promotions Office was established. Ms. Breed stated the community had serious issues of lack of employment and economic opportunities, and while she appreciated the hiring of local subcontractors for the Promotions Office, that did not speak to the long term economic health of the community, instead the community was being gentrified. Ms. Breed stated she could not support any future increase of funding for the Promotions Office and the Agency should move forward as quickly as it could with the current contract and figure out a different way to address the long-term employment and economic needs of the community, and urged the small businesses to put their personal differences aside and work together for the common good. Ms. Breed stated she would be

accountable for what her community did and would take the lead in terms of working with the whole community to find a better solution, but would not support any increase in funding for the Promotions Office.

Commissioner Singh stated he believed that the Agency should only award a one-year contract instead of a three-year contract. Mr. Singh asked how many people worked for Cultural ID, and asked for an explanation of the document distributed to the Commission (by Ms. Ferda Martin, a member of the public).

Ms. Denise Blades, Development Specialist, stated there were a total of three people that worked for Cultural ID, Ms. Caroline Ocampo the principal for Cultural ID, and two subcontractors, Mr. Chris Esparza and Karen Babbit.

Executive Director Rosen stated the document distributed to the Commission (from Ms. Ferda Martin) was not from the Agency and did not know what it represented.

Commissioner Yee requested the public to refrain from disrupting the meeting and show courtesy to the Commission. Mr. Yee stated that in his opinion, Cultural ID had done a good job, but was disappointed that they did not show up at the meeting. Mr. Yee put forth a motion to table item 4 (c) indefinitely.

There was no second to Commissioner Yee's motion to table.

Commissioner King reminded that he had made an earlier motion to reject item 4 (c). Commissioner Breed seconded the motion.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (c) RESOLUTION NO. 79-2005, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH CULTURAL ID, A CALIFORNIA LIMITED LIABILITY COMPANY, TO INCREASE THE THIRD YEAR OF CULTURAL ID'S CONTRACT BY \$64,313 FOR AN AGGREGATE THREE YEAR TOTAL AMOUNT OF \$300,750, AND TO MODIFY THE SCOPE OF SERVICES, SCHEDULE OF PERFORMANCE, AND CONTRACT ADMINISTRATION PROVISIONS RELATED TO CONSULTING SERVICES FOR THE FILLMORE JAZZ PRESERVATION DISTRICT PROMOTIONS OFFICE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE REJECTED.

At this time, approximately 6:25 p.m., the Commission considered item 8 on the Agenda.

8. Report of the Executive Director

- (a) Restriction on commercial uses at 1600 Webster Street and applicability to Starbucks Corporation and The United Parcel Service (UPS) Store; Western Addition Redevelopment Project Area A-2

Presenters: Marcia Rosen (Agency staff)

Speakers: Cheryl Brodie, Richard Hashimoto, Helen Jones, Linda Jofuku, Carol Murata, Benh Nakajo, Takeshi Onishi, Cal Kitazumi, Rosy Nakatani, Carolyn Mitsuda, Kyoko Takeda, Rev. Arnold Townsend, Sandy Mori, Randall Evans, Caryl Ito, Lois Ohwa, Charles J. Higley, Mary Rogers

President Peterson stated it appeared that the contract was poorly written and was ambiguous in terms of the franchise issue. Mr. Peterson asked Mr. Charles J. Higley (counsel for the 1600 Webster developer) for an explanation of how the commercial spaces were initially marketed as for-sale commercial condominiums and later marketed as commercial leases, and asked if the local merchants were approached with the commercial lease option. Mr. Peterson also asked what the purchase price was for the commercial condominiums.

Mr. Charles J. Higley (Reuben and Junius Law Firm), affirmed that the commercial spaces were initially marketed as commercial condominiums, but because of the unfavorable response, the option for commercial leases was also offered. Mr. Higley stated he did not specifically know if the local merchants were approached with the commercial lease option, but he understood that they were. Mr. Higley stated he did not know the purchase price of the commercial condominiums.

President Peterson asked Ms. Linda Jofuku if the community was aware of the commercial lease option.

Ms. Linda Jofuku of the Japantown Task Force, stated the developer did not inform the Task Force of the commercial lease option and that the purchase price was \$1.4 million. When asked if the purchase price could be lowered, the response was no.

President Peterson asked the General Counsel if there was a breach of the developer's obligations under its agreement with the Agency.

General Counsel James B. Morales stated his advice would be not to give legal advice to the Commission in open session about whether or not there was a breach of the contract. Mr. Morales stated he believed there was a staff determination made on the matter and the Commission, at a future time, would have the opportunity to determine whether proper procedures and proper value were given to the provisions of the contract. Mr. Morales stated he would advise the Commission to not go further with the discussion of the merits of the matter and decide on a future hearing of the item.

Commissioner Romero stated he had heard the testimony clearly and agreed with many of the speakers and put forth a motion to calendar at the June 7th Commission meeting, a review of Agency's staff's determination on commercial leases at 1600 Webster Street.

Commissioner Singh seconded Commissioner Romero's motion. Mr. Singh stated he recalled that the Commission was not pleased with the demolition of the Japantown Bowl, and he was concerned with the proposed Starbucks lease. Mr. Singh requested verification that the Agency had no authority to reject the Starbucks lease.

General Counsel Morales reiterated that staff made a decision on the matter and stated he believed that the Commission had the authority at a future Commission meeting to determine whether or not proper procedures in the contract provisions were followed.

Commissioner Breed stated she was still bitter about the closing of the Japantown Bowl. Ms. Breed stated she did not appreciate the Commission being addressed by the developer's attorney proffered in a way where the Agency would not have an ability to do something about the matter. Ms. Breed stated as a former member of the CAC, she did not appreciate not getting information or any communication about the leases and it was not fair to continue to allow the Agency or whoever was pushing these items through to continue to treat community members with such disrespect. Ms. Breed stated it would only be fair to have a hearing and address the community's issues, and thought that it was ridiculous to even have the matter before the Commission because the developer should have been more sensitive in dealing with the community. Ms. Breed stated it was unfortunate that the Japantown Bowl was gone, and now a commercial business was being brought in that would change the entire community. Ms. Breed stated the whole proposition was not only insane, but would also create a hostile environment for Starbucks because the community would protest it. Ms. Breed stated it was almost insulting to say that the Agency could not do anything about the matter, and the Agency should move forward, conduct the hearing and deal appropriately with the issues to the best of the Agency's legal abilities.

Commissioner Yee recalled a statement made by Mr. Higley that the Agency had no authority to invalidate the terms of the Owner Participation Agreement (OPA) with respect to the Starbucks lease, and asked for clarification.

Executive Director Rosen stated as General Counsel Morales stated earlier, staff had made a decision on the matter and the Commission had the authority at a future Commission meeting to determine whether or not proper procedures in the contract provisions were followed.

General Counsel Morales stated it was not clear what claims the developer's attorney was making, but all of the facts would be reviewed prior to the hearing.

Commissioner Yee stated in his opinion, the developer had not done adequate outreach to hear the community's concerns and appeared there was very little effort to inform the community, if at all.

Commissioner Covington asked when the lease with Starbucks was signed and if construction on the commercial space had begun.

Executive Director Rosen stated she was not aware if the lease with Starbucks had been signed. Ms. Rosen stated she did not believe that the project sponsor had submitted a permit application to the Department of Building Inspection for the commercial tenant improvement space.

Commissioner Covington stated it was important for the Agency to know if construction had begun on the commercial space. Ms. Covington stated Nihonmachi was a very important community to San Francisco, not just in Northern California, but the world. Ms. Covington stated that as one of only three remaining, Nihonmachi was a testament to its uniqueness, with Benkyo Do, Hana Ichi Flowers, the Ikenobo Ikenaba Society, and Soko Hardware, all of which represented both old and new institutions that needed to be honored for their tenacity and their staying power and at the same time, that wonderful community spirit should emanate in a commercial venture that is similar and complimentary in nature. Ms. Covington stated she looked forward to the hearing on the matter.

Commissioner Breed asked if redevelopment money was used for the 1600 Webster project. Ms. Breed referred to a May 4th letter from the Japantown Task Force, which mentioned a conversation with Ms. Nicole Franklin, Project Manager for Western Addition A-2 on April 25th, that it was the first time that the Task Force had heard about the leases to Starbucks and UPS, and asked why the Japantown Task Force was not informed previously of the leases.

Executive Director Rosen stated that Ms. Nicole Franklin was on vacation that week, and Ms. Rosen stated she did know if that was the first time the Japantown Task Force was informed about the Starbucks and UPS leases or not. Ms. Rosen stated the leases were not a proposal for new development coming into the Western Addition, rather there was a Commission approved OPA with limited Agency staff review responsibilities under the OPA. Ms. Rosen stated this was unlike a new development proposal, which would have been discussed with the various community groups with presentations by the project sponsor. Ms. Rosen stated there was a history of the 1600 Webster Street project sponsor meeting numerous times with the community back in 2002, and she was not aware if those discussions continued or not. Ms. Rosen stated she could find out the information and include it in the staff report for the hearing.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, TO CALENDAR AT THE JUNE 7TH COMMISSION MEETING, AN ITEM TO REVIEW AGENCY STAFF'S DETERMINATION REGARDING THE COMMERCIAL LEASES FOR STARBUCKS AND UPS AT 1600 WEBSTER STREET.

Ms. Linda Jofuku requested the Commission that copies of staff's report be provided to Japantown Task Force prior to the June 7th Commission meeting.

President Peterson assured Ms. Jofuku that staff would provide copies of the staff report.

Executive Director Rosen stated that the staff report would be made available when it was sent to the Commission, which was generally the Thursday afternoon before the June 7th Commission meeting.

At this time, approximately 7:35 p.m., the Commission resumed discussion of item 4 (d)

- 4 (d)** Resolution No. 80-2005, Authorizing the execution and delivery of a trust indenture, a financing agreement and a regulatory agreement and declaration of restrictive covenants relating to variable rate demand multifamily housing revenue bonds (Mercy Terrace Project), Series 2005A and authorizing the execution and delivery of and approving other related documents and approving other related actions in connection therewith; Citywide Affordable Housing Program

Presenters: Vanessa Dandridge (Agency staff)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 80-2005, AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A FINANCING AGREEMENT AND A REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS RELATING TO VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS (MERCY TERRACE PROJECT), SERIES 2005A AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH; CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

- 4 (e) Resolution No. 81-2005, Approving a non-binding term sheet with The Regents of the University of California for the expansion of UCSF facilities in the Mission Bay South Redevelopment Project Area, and authorizing the Executive Director to take all necessary steps to prepare agreements and related documents consistent with the term sheet; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Corinne Woods, Norman Pearce, Randall Evans

President Peterson stated he had a soft spot for the University of California San Francisco (UCSF) because his daughter was under UCSF's good care that week at the Parnassus Campus. Mr. Peterson stated he recognized the hard work that had been done including outreach to the community, and this was an important project for the Mayor's Office and he would support the term sheet.

Commissioner Romero stated he agreed with Ms. Amy Neches when she stated that this was fair and good deal for everyone, and complimented Ms. Neches on the great presentation. Mr. Romero stated that Ms. Neches' presentation hit all of the key issues that the Commission should consider and commended staff on the good negotiations. Mr. Romero put forth a motion to adopt item 4 (e).

Commissioner Yee seconded Commissioner Romero's motion. Mr. Yee stated he had followed very closely the UCSF project and asked when the UCSF hospital project began.

Ms. Amy Neches, Senior Project Manager, stated that UCSF was generally involved in the initial planning of Mission Bay that began in 1996 and 1997 when it agreed to develop the 43-acre campus on land that was donated by Catellus and the City for that purpose. Ms. Neches stated in terms of the

hospital, UCSF had been in a planning process studying its options for several years, based on State requirements for seismic upgrading. The discussions with UCSF at staff level began in 2003, at which time UCSF had not determined that it was coming to Mission Bay, and was looking at a number of options around the city, including rebuilding at the Parnassus Campus. Ms. Neches stated in the recent months, UCSF had moved from making a recommendation to its regents and now a decision that their preferred location would be the Mission Bay site, which propelled the negotiations quickly to come forward as soon as possible. UCSF adopted the hospital plan as part of its long-range development plan in March 2005, and that was when UCSF made public their announcement of the preferred site in Mission Bay.

Commissioner Yee asked how many acres were donated by the City for the 43-acre UCSF campus. Mr. Yee stated he recalled that Ms. Neches indicated in her presentation that there would be a \$15 million loss in tax increment revenue to the Agency due to UCSF's tax-exempt status, but that a value could not be placed on the tremendous contributions already made by UCSF not only to the City, the Bay Area and the country, in addition to potentially millions of dollars from the proposed hospital in Mission Bay. Mr. Yee urged staff to move as quickly as possible with UCSF so as not to delay the project. Mr. Yee stated that with the addition of the three new Commissioners, the Commission was poised to do great things and commended the Mayor for selecting the best Commissioners to the Agency.

Commissioner Singh stated that UCSF was one of the best medical institutions in the world and he had been waiting for many years to vote on the project, but he was very happy to see it before the Commission. Mr. Singh lent his support for the project.

Commissioner Breed shared that she graduated from UC Davis right before the affirmative action program was shot down, and stated she appreciated the outreach by UCSF to the community. Ms. Breed stated she could almost overlook the affirmative action issue, but acknowledged that great things could and had come from UCSF and that she looked forward to the finished project. Ms. Breed stated she would continue to be supportive with the continued community outreach by UCSF.

Commissioner Covington applauded the outreach efforts by UCSF and asked what percentage of UCSF's 19,000 employees resided in San Francisco. Ms. Covington inquired about costs for the proposed police and fire stations in Mission Bay.

Mr. Bruce Spaulding, Vice-Chancellor of UCSF, stated that between 60 and 65% of UCSF's employees resided in San Francisco.

Ms. Neches stated that Block 8 in Mission Bay had been designated as a police and fire station site and under the agreement with Catellus, it was required to donate the site, which it had. The City now owned the property. Additionally, Catellus was also required to donate \$3.6 million in 1998 dollars, which get escalated each year, toward construction of the police and fire stations. Ms. Neches stated it was never expected that the \$3.6 million would cover the whole cost of the stations, and it was also the expectation that the City would bear the remainder of the costs, and at such time as the City was in a position to move forward, Catellus would make its donation available.

Commissioner Covington stated that with the dire economic situation in the City, she expected a citywide shortfall and was concerned with the availability of funding sources for the project. Ms. Covington stated that was a matter that the Commission can look closely in the future and lent her support for the project.

President Peterson requested verification that UCSF operated its own police force.

Mr. Spaulding affirmed that UCSF operated its own police force and that UCSF's police personnel are full-pledged peace officers under State statutes and have jurisdiction within two miles of UCSF campuses, which would cover almost the whole City and County of San Francisco. Mr. Spaulding stated that UCSF did not operate its own fire station, except for the UC Davis campus.

Commissioner Singh shared that he had back surgery some 20 years ago performed by Dr. Charlie Wilson at UCSF and was very happy with the way he was taken care of. Mr. Singh stated that his 90-year old mother recently had heart surgery, also at UCSF, and was very pleased with great care that the doctors gave her. Mr. Singh lent his support for the project.

Commissioner King shared that he had gone on a tour at Mission Bay of UCSF's research facility and they had one of the most fantastic facilities he had ever seen, and urged his fellow Commissioners to take a tour.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 81-2005, APPROVING A NON-BINDING TERM SHEET WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR THE EXPANSION OF UCSF FACILITIES IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY STEPS TO PREPARE AGREEMENTS AND RELATED DOCUMENTS CONSISTENT WITH THE TERM SHEET; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) through 4 (l) are related to the Mid-Market Redevelopment Plan

- (f) Adopting environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act (CEQA) and State CEQA Guidelines in connection with the Mid-Market Redevelopment Plan and related documents and actions; Mid-Market Redevelopment Project Area (Resolution No. 82-2005)
- (g) Approving the Report on the Redevelopment Plan for the Mid-Market Redevelopment Plan and authorizing transmittal of the Report on the Redevelopment Plan to the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 83-2005)
- (h) Approving the proposed Redevelopment Plan for the Mid-Market Redevelopment Project Area and recommending its adoption by the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 84-2005)
- (i) Approving rules governing participation by property owners and the extension of reasonable preferences to business occupants for the Mid-Market Redevelopment Project Area; Mid-Market Redevelopment Project Area (Resolution No. 85-2005)
- (j) Authorizing the Mid-Market Delegation Agreement with the Planning Department of the City and County of San Francisco; Mid-Market Redevelopment Project Area (Resolution No. 86-2005)
- (k) Recommending that the Board of Supervisors to adopt the Mid-Market Special Use District for the proposed Mid-Market Redevelopment Plan; Mid-Market Redevelopment Project Area (Resolution No. 87-2005)
- (l) Commending the Mid-Market Project Area Committee; Mid-Market Redevelopment Project Area (Resolution No. 88-2005)

Executive Director Rosen stated as indicated on the Agenda, staff would recommend continuance of the Mid-Market items, which were noticed pursuant to the California Community Redevelopment Law and had to be put on the Agenda. However the Commission could not act on the items until the Planning Commission took its preliminary actions. The Planning Commission had originally calendared consideration on May 19th, and Agency staff was going to request the Agency Commission to continue the items until after May 19th, but staff had been informed earlier in the day that the Planning Department staff was going to ask the Planning Commission to continue the items to their June 2nd meeting. Ms. Rosen stated she would recommend that the items be continued for the June 7th Commission meeting.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEMS 4 (f) THROUGH 4 (l) RELATING TO THE MID-MARKET REDEVELOPMENT PLAN, BE CONTINUED TO THE JUNE 7TH COMMISSION MEETING.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Ace Washington, Randall Evans, Erris Edgerly

7. **REPORT OF THE PRESIDENT**

- President Peterson stated the Commission heard a lot of testimony from members of the Western Addition community, in particular Mr. Ace Washington who raised many concerns, and urged staff and his fellow Commissioners Breed, Covington, and King who are from the community, to look into ways of responding to the concerns raised.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

Executive Director Rosen reported on the following items:

- Western Addition community meeting on Tuesday, May 24th, 6:00 p.m. at the Westbay Conference Center, 1290 Fillmore Street, to present an overview of the housing development objectives for the remaining sites in Western Addition, which was requested by the community and CAC.
- The Agency had been informed by Millennium Partners, developer of the Four Seasons Hotel and Yerba Buena Lane in Yerba Buena Center, that they had entered into an agreement with the Museum of Craft and Folk Art who would be leasing 3,000 square feet of retail space in Yerba Buena Lane, which was the lane that connected Market Street to Mission Street. The museum would be relocating from Fort Mason to the new space at the end of 2005.
- Ms. Rosen shared that she had met numerous times with Mr. Ace Washington about the Western Addition budget, and there had been discussions of the Western Addition budget at the CAC meetings. Ms. Rosen stated that her door would continue to be open for the community's requests for meetings and information, and that she had met with many of the people that testified at the meeting.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he was curious about the Commission meeting schedule of two meetings a month and wanted to inform the three new Commissioners that in the 50 years plus existence of the Redevelopment Agency, the Commission always had weekly meetings. Mr. Yee stated he wanted to bring the matter up for a future discussion.
- Commissioner Romero stated he recalled that the Commission did reduce the frequency of the Commission meetings a little over a year ago, from weekly meetings to two meetings a month. Mr. Romero stated he recalled that the primary reason had to do with the costs of the weekly meetings. Mr. Romero stated that when there were weekly meetings, some of the meetings only lasted for one-half hour because of the decrease in redevelopment activity, while the costs of preparing for the meetings remained the same. Mr. Romero stated that because of the budget crunch, the Commission decided to reduce the meetings to two a month and he thought that the current schedule was working fine.
- Commissioner Singh stated he also recalled when the meetings were reduced to two a month and agreed that was fine, but wanted to know how much it cost to conduct the Commission meetings.

Executive Director Rosen stated that a year and half ago, the Commission voted to amend its bylaws to have two meetings a month, and of course, the Commission could always determine to amend its bylaws again. Ms. Rosen stated she did not have the cost information, but would provide it to the Commission.

- Commissioner Yee stated he wanted to set the record straight that Commissioners King, Singh and himself were opposed to the reduction to two meetings a month.

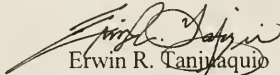
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations of lease agreements with The Lavish Group and The Boxed Foods Company regarding the East and West Cafés at Yerba Buena Gardens; Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Tracie Reynolds, Tiffany Bohee, and Cathy Pickering.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:28 p.m.

Respectfully submitted,


Erwin R. Tanijaquio
Agency Secretary

APPROVED:

June 7, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO

AND

MINUTES OF A SPECIAL MEETING OF THE CITY AND
COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY
HELD ON THE 7TH DAY OF JUNE 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of June 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:09 p.m. Mr. Peterson welcomed members of the public and asked that cell phones and pagers be turned off during the meeting. Mr. Peterson urged speakers to limit their testimony to three minutes.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. Closed Session

- 2 (a)** Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

Commission Secretary Erwin R. Tanjuaquio announced that staff had withdrawn the closed session item and a closed session meeting was no longer necessary.

3. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

4. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE MAY 17TH COMMISSION MEETING

Items 4 (a) through 4 (g) are related to the Mid-Market Redevelopment Plan

- 4 (a) Adopting environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act (CEQA) and State CEQA Guidelines in connection with the Mid-Market Redevelopment Plan and related documents and actions; Mid-Market Redevelopment Project Area (Resolution No. 82-2005)
- 4 (b) Approving the Report on the Redevelopment Plan for the Mid-Market Redevelopment Plan and authorizing transmittal of the Report on the Redevelopment Plan to the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 83-2005)
- 4 (c) Approving the proposed Redevelopment Plan for the Mid-Market Redevelopment Project Area and recommending its adoption by the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 84-2005)
- 4 (d) Approving rules governing participation by property owners and the extension of reasonable preferences to business occupants for the Mid-Market Redevelopment Project Area; Mid-Market Redevelopment Project Area (Resolution No. 85-2005)
- 4 (e) Authorizing the Mid-Market Delegation Agreement with the Planning Department of the City and County of San Francisco; Mid-Market Redevelopment Project Area (Resolution No. 86-2005)
- 4 (f) Recommending that the Board of Supervisors to adopt the Mid-Market Special Use District for the proposed Mid-Market Redevelopment Plan; Mid-Market Redevelopment Project Area (Resolution No. 87-2005)
- 4 (g) Commending the Mid-Market Project Area Committee; Mid-Market Redevelopment Project Area (Resolution No. 88-2005)

Executive Director Marcia Rosen stated staff would recommend continuing the items to the July 19, 2005 Commission meeting. Staff had just been informed that the Planning Commission would not consider the items until

its June 23, 2005 meeting, and the Agency Commission could not act until the Planning Commission took its actions.

Speakers: Michael Nulty, Brian Egg, John Nulty

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEMS 4 (a) THROUGH 4 (g) RELATING TO THE MID-MARKET REDEVELOPMENT PLAN, BE CONTINUED TO THE JULY 19TH COMMISSION MEETING.

5. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 5 (a) Approval of Minutes: Meeting of May 17, 2005
- 5 (b) Resolution No. 89-2005, Authorizing a Second Amendment to the Disposition and Development Agreement with Fillmore Development Associates, LLC, a California limited liability company, to revise the performance schedule for a mixed-use project on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2
- 5 (c) Resolution No. 90-2005. Authorizing an extension of time for completion of Contract RPSB 003-03 with Dutra Construction Company, Inc., a California corporation, from January 14, 2005 to August 15, 2005 for South Beach Park and Harbor Improvements; Rincon Point - South Beach Redevelopment Project Area
- 5 (d) Resolution No. 91-2005, Commending and expressing appreciation to Jose Campos for nine years of dedicated public service with the Redevelopment Agency of the City and County of San Francisco

ADOPTION: IT WAS MOVED BY KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 5 (a) APPROVAL OF MINUTES: MEETING OF MAY 17, 2005, 5 (b) RESOLUTION NO. 89-2005, AUTHORIZING A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE PERFORMANCE SCHEDULE FOR A MIXED-USE PROJECT ON AGENCY PARCEL 732-A; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, 5 (c) RESOLUTION NO. 90-2005. AUTHORIZING AN EXTENSION OF TIME FOR COMPLETION OF CONTRACT RPSB 003-03 WITH

DUTRA CONSTRUCTION COMPANY, INC., A CALIFORNIA CORPORATION, FROM JANUARY 14, 2005 TO AUGUST 15, 2005 FOR SOUTH BEACH PARK AND HARBOR IMPROVEMENTS; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND 5 (d) RESOLUTION NO. 91-2005, COMMENDING AND EXPRESSING APPRECIATION TO JOSE CAMPOS FOR NINE YEARS OF DEDICATED PUBLIC SERVICE WITH THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

REGULAR AGENDA

- 5 (e) Reviewing staff's determination on commercial uses at 1600 Webster Street; Western Addition Redevelopment Project Area A-2

Presenters: Joanne Sakai (Agency staff)

Speakers: Steve Nakajo, Richard Marquez, Ron Miguel, Steve Doi, Linda Jofuku, Rich Hashimoto, Tess Manalo-Ventresca, Roderick Magbual, William Chu, Bette Wallace Landis, Norman Ishimoto, Chris Hirano, Randall Evans, Ace Washington, Supervisor Ross Mirkarimi, Charlie Walker, Caryl Ito, Robert Okamura, Mary Ishisaki, Sandy Mori

Commissioner Breed stated she was happy to see that there was some resolution in that Starbucks took the high road and withdrew from the lease at 1600 Webster. Ms. Breed asked what the rent was for the commercial space.

Executive Director Rosen stated she had not spoken with the project sponsor but received an e-mail from Mr. McInerney, which stated the following: that the developer would honor their commitment and give the community 30 days to locate a credit tenant during which time they would refrain from entering into a Letter of Intent with another tenant. However, after expiration of that period, they would market the space to all available tenants in the normal fashion. The developer believed their broker made extraordinary efforts to identify a Japanese local user over a two year period. Information on the space and terms as follows: 1655 leaseable square feet; 10 year lease; triple-net; warm shell delivered; asking \$3.50 a square foot per month. Their broker is Kazuko Morgan at Cushman & Wakefield, telephone number 773.3546.

Commissioner Breed stated that testimony from the public made it clear that there was a communication problem with the community. Ms. Breed suggested that as a sign of good faith, the Agency should look into an option

to provide a tenant improvement loan for a local small business to locate at 1600 Webster, and that any proposal for financial assistance be reviewed and approved by the Western Addition Citizens' Advisory Committee (CAC) prior to consideration by the Agency Commission.

Executive Director Rosen stated the Commission had adopted a business assistance program for the lower Fillmore District and staff could look at a similar program for the commercial space at 1600 Webster and report back to the Commission on the terms and conditions as well as what funds that may be available to assist in that effort. Ms. Rosen stated she very much wanted the optimum community communication, but under the terms of the Owner Participation Agreement (OPA), the Agency only had a 30-day review period once the developer submitted a proposed lease. Ideally, there would be time for the developer to bring their proposal to the community even before they submitted a proposed lease to the Agency, but the OPA currently as it existed right now, had a limited turn-around time that would make it difficult to have both the Japantown Task Force and the CAC to conduct their review, unless the project sponsor was willing to lengthen the review period for the Agency's review. Ms. Rosen stated she regretted there was not more community notice in a timelier fashion, and wanted to assure the Commission and the community of her desire for more community notification and discussion, but the Agency had to conduct the review within certain legal parameters. Ms. Rosen stated she was hopeful that hearing the discussion, the developer would be receptive to a spirit of conveying more information and community input. Ms. Rosen stated staff would report back to the Commission on the loan terms for the Fillmore District and what those would look like for the 1600 Webster commercial space, and distribute the information to both the Japantown Task Force and the CAC.

Commissioner Singh asked how long the commercial space had been available for lease.

Executive Director Rosen stated the information that the project sponsor provided indicated they had marketed the space for two years.

Commissioner Singh stated that after a two-year period, the project sponsor was now only giving 30 days, which was not enough time for the community. Mr. Singh asked if the Agency could subsidize the rent for a local small business tenant.

Executive Director Rosen stated the Agency had not subsidized rent for commercial ventures for private businesses, rather the Agency had provided tenant or façade improvement loans and the Mayor's Office of Community Development had given small business loans, which were available citywide for eligible small business, but not an ongoing monthly rent subsidy for a business.

Commissioner Singh stated that 30 days was not enough time to find a suitable tenant, and that a 90- to 120-day period would be more appropriate.

Executive Director Rosen stated she wanted to clarify that this was an offer from the project sponsor and that the Agency did not have a contractual right to demand a certain period for the marketing.

Commissioner Singh stated he was very much against the demolition of the Japantown Bowl and now the community was confronted with more problems. Mr. Singh asked why the Agency was not informed of the Starbucks lease.

Executive Director Rosen stated the Agency was informed and pursuant to the OPA, had a 30-day period to review the proposed lease for conformity with the OPA. During that period, staff did conduct the review, and informed the Japantown Task Force at its April meeting about that review. Ms. Rosen stated that admittedly, the Japantown Task Force meeting in April when staff provided the information about the proposed Starbucks lease, was towards the end of the 30-day review period.

Commissioner Singh stated he did not know about the other Commissioners, but he felt that the 30-day period offered by the project sponsor was not acceptable to him.

Commissioner King stated he wanted to thank the Japanese-American community for coming out on a very important issue. Mr. King stated he felt that the letter from Mr. McInerney was an insult to the Commission and the community. Mr. King stated he recalled the project sponsor coming to him and other Commissioners for help when the project started two years ago to get community support and now they insult the community with a simple letter. Mr. King stated that the project sponsor should sit down with the community to repair the damage inflicted upon the community and try to get a local small business in the commercial space. Mr. King stated he agreed with his fellow Commissioners that 30 days was not enough and in order to regain the good faith with the community, the project sponsor should meet with the community and resolve the matter. Mr. King stated that Agency staff did not do a very good job on the project and the Commission and the community should have been notified well in advance and not after the fact with the community already up in arms. Mr. King stated the Agency had faced legal challenges in the past, and if needed, the matter could be settled in the court. Mr. King stated the project sponsor needed to sit down with the community and come up with an acceptable solution to locate a local small business with assistance from the Agency.

Commissioner Covington stated she agreed with her fellow Commissioners' comments and that she was having difficulty with the language of the OPA,

which stated “no fast food operations or franchise retailer.” Ms. Covington stated as a Commissioner and a member of the community as well, that meant to her, no franchises, even though it might mean something entirely different to attorneys, but even for lay people, they understood the difference between the letter of the law and the spirit of the law. Ms. Covington stated the spirit of “no fast food operations or franchise retailer,” meant just what it stated. Ms. Covington stated if the Agency had a process that really involved the citizen volunteers who gave of their time to serve on the committees and if they were informed of the proposed lease, the Agency could have avoided the breach of trust with the community. Ms. Covington stated in light of the breach of trust, what proposals could come from Agency staff to repair the breach. Ms. Covington stated she was very concerned with the tremendous misstep by the Agency, because the Agency existed for the betterment of the citizens of the City and County of San Francisco, and when people turn out in such force for multiple Commission meetings to say that the Agency had wronged them, that not only did the Agency hurt their feelings, but also jeopardize their potential economic opportunities, that was a real problem for her. Ms. Covington stated it would take a very long time to build trust and it would only take a few minutes to disrupt that relationship. Ms. Covington stated the relationship with the Japanese-American community needed to be repaired as well as other relationships in the broader community. Ms. Covington stated she wanted to know how the Agency could institutionalize a change in the communication pattern so that the people the Agency had asked to serve could receive the information they needed in a timely fashion as well as the Commissioners, so that they were not blind-sided. Ms. Covington stated she wanted to commend Starbucks for taking the high road, because they could have decided to enrich some attorneys and stage a fight, and they did not so, she appreciated the gesture.

Commissioner Romero stated he wanted to thank everyone who came to the meeting to testify because it was important for the Commission to hear from the community. Mr. Romero stated he did not want to dwell too much on fine details of the language of the OPA, and hoped that the project sponsor recognized the political problem with the project. Mr. Romero stated there were probably mistakes made by Agency staff, but that did not mean the Commission would shirk its responsibility because it approved the OPA. Mr. Romero stated Starbucks saw the tremendous community organization and opposition to its presence and withdrew from the lease, and he believed that the community organization would not dissipate any time soon. Mr. Romero stated he agreed with Commissioners King and Singh that 30 days would not be enough time to find a tenant that would be acceptable to the community, and hoped that the project sponsor would reconsider and extend more time and find a way to extend an olive branch to the community for the ill feelings still left over from the demolition of the Japantown Bowl. Mr. Romero stated every Commissioner did not want the Japantown Bowl

to close and with all of its power, the Agency Commission could not prevent the closure. Mr. Romero stated he was not sure what the limits of the Agency's authority were with 1600 Webster, but it was very clear that the community had organized, and although the project sponsor may not necessarily have a legal responsibility to extend any more opportunity than it already had, Mr. Romero stated he hoped the project sponsor recognized the pounding the Commission was taking on the matter, and to consider the fact that in all likelihood, it would be doing future business with the Agency. Mr. Romero stated he would definitely like to see a commercial tenant at 1600 Webster that was in keeping with the Japantown community.

Commissioner Yee stated he wanted to apologize for being late as he was still nursing a cold. Mr. Yee stated he recalled that two years ago when the OPA was considered by the Commission, he made the motion to approve the OPA because the project sponsor had met all of the criteria of the OPA. Mr. Yee stated he had seen newspaper articles stating that Agency staff had agreed with the proposed lease, yet the Commission had no knowledge until now. Mr. Yee stated the public should understand that it was not the staff's authority, but the Commission's, because staff only carried out the policies of the Commission, and any missteps by staff would be appropriately dealt with by the Commission. Mr. Yee inquired about the OPA use restrictions that Commissioner Covington spoke about, and asked what the exceptions were to the permitted uses, and if Starbucks and UPS store were on the exceptions list. Mr. Yee requested clarification about the 30-day period offered by the project sponsor.

Executive Director Rosen stated the OPA had an exhibit, which was taken from the Japantown Task Force Neighborhood Preservation Plan that listed specific retail stores that were to be permitted notwithstanding the prohibition in franchise retailers and fast food. Ms. Rosen stated that Starbucks and UPS were not enumerated on the exceptions list. Ms. Rosen stated she had spoken about two different 30-day periods, one of which was an offer by project sponsor that it would not enter into a lease agreement for 30 days while the space was offered to the community. When the project sponsor had a proposed lease, it would be submitted for Agency staff review pursuant to the OPA, and staff would have 30 days to review. Ms. Rosen stated if she was to negotiate from a blank piece of paper, she would negotiate for a longer period of time. Mr. McNerney's point was that the commercial space had been available for either sale or lease for the past two years. Ms. Rosen stated that if there really was confusion in the broader commercial community about whether the space was available for lease, then 30 days was a short period of time to let people know that it was a lease opportunity. However, since this 30-day marketing period was an offer from the project sponsor and not in the OPA, the Agency staff could not impose a longer local marketing period.

Commissioner Yee asked if the Executive Director thought it was fair to ask the project sponsor to lengthen the local marketing period from 30 to 90 days, and if the request would be legal and appropriate.

Executive Director Rosen stated there was no requirement for the project sponsor to make the offer and they would be free to change their offer to other terms as well. Ms. Rosen pointed out that the project sponsor and his attorney were in attendance at the meeting, and stated she would leave the request to the project sponsor at the discretion of the Commission.

Commissioner Yee asked if the project sponsor or his attorney could provide a response.

Mr. Jim Reuben, attorney, stated the 30 days was intended as an exclusive period of time for the community's consideration and that they would not market the space to anyone else during the 30-day period. Mr. Reuben stated that if there was no offer after the 30-day period, they would begin to market the space more widely, but would not cut-off the marketing to the community, which could make an offer at any time. Mr. Reuben stated no one wanted the space to remain vacant and not serving the community, and their goal was to find a tenant and a culturally based tenant that fit the community would be the best of all possibilities. Mr. Reuben reiterated that they would not accept any offers from potential national tenants and would not market the space to national tenants for the 30-day exclusive period. Mr. Reuben urged the community to bring them an offer so they could work with the community.

Commissioner Yee requested clarification that the Agency would have an opportunity to review a proposed lease, once the developer received one. Mr. Yee asked if staff could look into the availability of funds in the lower Fillmore small business loan program that could be utilized to assist a community small business to locate at 1600 Webster Street.

Executive Director Rosen affirmed that the Agency would have a 30-day review period once the project sponsor informed the Agency of a proposed lease. Ms. Rosen added that once the Agency was in receipt of a proposed lease, staff would notify the Commission and the community. She urged the project sponsor to independently provide the proposed lease to the community because of the limited 30-day Agency review period, or to offer to extend the Agency's review period so that staff could do adequate community notification and consultation on the matter. Ms. Rosen stated staff would report back to the Japantown Task Force and the Commission as to available funds for the small business loan program.

Commissioner Breed stated she wanted to know if the tenant improvements on the site would be brought before the Commission for consideration.

Executive Director Rosen stated the Agency would have review powers on any proposed permit for tenant improvements to determine if the proposed permit was consistent with the Western Addition A-2 Redevelopment Plan, as interpreted through the NC-2 land use designation. Ordinarily, that review would be done by staff, but if the Commission desired, the matter could be calendared for the Commission's review and consideration. Ms. Rosen stated that generally, staff determined consistency with the redevelopment plan, and the Department of Building Inspection (DBI) would issue the permit. Upon receipt of a permit application for a project within a redevelopment project area, the DBI would submit the application to Agency staff for review and sign-off on conformance with the land use restrictions before issuing the permit.

Commissioner Breed asked if it would be appropriate for the Commission to make a counter-offer to the developer's offer.

Executive Director Rosen stated as she had indicated earlier in response to Commissioner Yee, the Commission was free to express its views to the project sponsor.

Commissioner Breed stated she would like to propose a counter-offer and she would ask her fellow Commissioners to join her, in proposing that the Agency submit a non-negotiable offer to the project sponsor to extend the local marketing period to a 90-day period for community members, and to work on a tenant improvement loan with the Agency in order to restore the good faith and loss of communication with the community.

President Peterson stated he was certain that all of the Commissioners would like the project sponsor to extend the local marketing period to 90 days, and if the project sponsor was willing, they would let the Agency know.

Commissioner Singh asked if the project sponsor would consider reducing the proposed rent for the commercial space as a goodwill gesture to the Japanese-American community, and asked where the \$3.50 per square foot rent came from. Mr. Singh asked if the Agency Commission had to approve the lease terms.

Mr. Reuben stated he was expecting to be commended for his client's 30-day local marketing period offer, and explained that the \$3.50 per square foot asking rent was a market rent price and was simply a starting point for marketing the commercial space. Mr. Reuben stated that they withdrew the asking rent price and asked the community to submit an offer, and explained that they assumed that offers would be submitted and the rent would be

negotiated. Mr. Reuben stated that the Agency had no rights to approve the economics of the lease.

Commissioner King asked if the project sponsor was willing to sit down with the community to lease the space to a suitable tenant.

Mr. John McInerney, project sponsor, stated he would be willing to meet with anyone who wanted to meet with him at any time. Mr. McInerney stated his objective was to lease the space as soon as possible.

Commissioner Breed asked when the space was available to lease.

Mr. McInerney stated the space had been available for either sale or lease for the past two years and available for occupancy since February 2005.

President Peterson stated that without having the benefit of tenure at the Agency and history about the project, stated he had no doubt that both Agency staff and the community could have done a better job to strengthen the language in the OPA so that there were no ambiguities as to what uses were allowed in the project. Mr. Peterson stated he spent hours with staff in particular, Executive Director Rosen and General Counsel James Morales, discussing the matter, and he (Mr. Peterson) was certain that staff had no malice in its review of the proposed lease with Starbucks. Mr. Peterson stated he had asked Ms. Rosen to redouble staff's efforts to outreach to the community so that future agreements would be crystal clear in what would be appropriate uses for the affected community. Mr. Peterson stated with respect to the 1600 Webster project, shared that he along with Ms. Rosen and Mr. Morales sought a meeting and did meet with the project sponsor the previous Tuesday to discuss the issue, and informed the public that the project sponsor did offer to table the Starbucks lease for 30 days before Starbucks withdrew from the proposed lease. Mr. Peterson stated he considered this offer from the project sponsor to be a sign of good faith and willingness to work with the community, and that was not to say that the project sponsor had no fault because they could have been much clearer in the initial marketing of the space as a for-sale commercial condominium or a space for lease. Mr. Peterson stated he would assume that the developer would rather lease the space to a suitable local community tenant at or even below their asking rent price, than a national tenant for a higher rent. Mr. Peterson stated with all of the issues that had been discussed, there was now an opportunity to work with the project sponsor and the community to find a local tenant to lease the vacant space, and the Agency was very interested in working with the community to help in preparing a proposal that would hopefully be acceptable to the project sponsor. Mr. Peterson stated there was not much the Agency could do if there was not an offer made either within the 30-day period or 90, and hoped that litigation could be avoided.

Commissioner Breed stated although she supported President Peterson's statements, she was still uncomfortable about the whole situation, because the Commission's request for the 90-day period did not seem unreasonable at all. Ms. Breed stated she wanted to make sure that the Agency was clear about the purpose of the hearing, which was to hear the community's concerns, and that the Agency did not have full authority or control, but would do everything in its power to restore the good faith that had been lost with the community. Ms. Breed put forth the following motion: To urge the developer to extend the local marketing period for 90 days and to meet with the Japantown Task Force and other community members, and additionally for Agency staff to investigate and bring back a proposal for a small business loan program similar to the Fillmore District.

Commissioner King stated he would support Commissioner Breed's motion and seconded her motion.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE DEVELOPER IS URGED TO EXTEND THE LOCAL MARKETING PERIOD FOR 90 DAYS AND TO MEET WITH THE JAPANTOWN TASK FORCE AND OTHER COMMUNITY MEMBERS, AND FOR AGENCY STAFF TO INVESTIGATE AND BRING BACK A PROPOSAL FOR A SMALL BUSINESS LOAN PROGRAM SIMILAR TO THE FILLMORE DISTRICT.

At this time, approximately 6:25 p.m., the Agency Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 6:35 p.m. on the 7th day of June 2005, at the place and date duly established for holding of such a meeting.

- 1. Election of Officers (calendar year 2005): Chairman, Vice-Chairman, and Board Secretary.**

Mr. Peterson stated the bylaws of the Financing Authority state that the Chairman, Vice-Chairman and Board Secretary shall be elected at the first annual meeting of the Board of Directors in each calendar year. Mr. Peterson stated that traditionally, the Agency Commission officers, including the Commission Secretary were also elected as the Financing Authority Board officers. Mr. Peterson entertained nominations.

MS. ROMERO NOMINATED RICHARD H. PETERSON JR. FOR THE OFFICE OF BOARD CHAIRMAN. MR. KING SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT RICHARD H. PETERSON JR. AS BOARD PRESIDENT.

MR. KING NOMINATED LONDON BREED FOR THE OFFICE OF BOARD VICE-CHAIRMAN. MR. ROMERO SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT LONDON BREED AS BOARD VICE-CHAIRMAN.

MR. KING NOMINATED ERWIN R. TANJUAQUIO FOR THE OFFICE OF BOARD SECRETARY. MR. YEE SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT ERWIN R. TANJUAQUIO AS BOARD SECRETARY.

2. MATTERS OF NEW BUSINESS:

- 2 (a)** Resolution No. 1-2005, Authorizing the Issuance of the 2005 Series A Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects) in an Amount not to Exceed \$23,000,000 and the 2005 Series B Taxable Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects) in an Amount not to Exceed \$10,000,000; Approving Forms of Indentures of Trust, Loan Agreements and Official Statement; Authorizing the Competitive Sale of the Bonds; and Authorizing and Approving Other Matters Properly Relating Thereto (Merged Embarcadero – Lower Market (Golden Gateway) Redevelopment Project Area/South of Market Earthquake Recovery Redevelopment Project Area/Federal Office Building Redevelopment Project Area, Rincon Point – South Beach Redevelopment Project Area and Western Addition Redevelopment Project Area A-2)
- 2 (b)** Resolution No. 2-2005, Authorizing the Issuance of the 2005 Series C Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) in an Amount Not to Exceed \$50,000,000; Approving Forms of an Indenture of Trust, Loan Agreements and Official Statement; Authorizing the Competitive Sale of the Bonds; and Authorizing and Approving Other Matters Properly Relating Thereto (Merged (Embarcadero – Lower Market (Golden Gateway) Redevelopment Project Area, Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Western Addition Redevelopment Project Area A-2 and Yerba Buena Center Redevelopment Project Area)
- 2 (c)** Resolution No. 3-2005, Authorizing the Issuance of the 2005 Series D Tax Allocation Revenue Bonds (Mission Bay North Redevelopment Project) in an Initial Aggregate Principal Amount not to Exceed \$17,000,000; Approving Forms of an Indenture of Trust, Loan Agreement and Official Statement;

Authorizing the Competitive Sale of the Bonds and Authorizing and Approving Other Matters Properly Relating Thereto (Mission Bay North Redevelopment Project Area)

Presenters: Mario Menchini (Agency staff)

Speakers: Rev. Arnold Townsend

Executive Director Rosen stated she wanted to clarify that the some of the bonds were for the refunding of existing indebtedness, and the bulk of the bond issuance that was not Mission Bay related, was to fund the Agency's current year work program and all of the expenditures were specified in the Agency's current year (2004/2005) budget approved by the Commission and the Board of Supervisors in Spring 2004. At the request of the Mayor's Budget Office, the Agency was issuing its debt very late in the fiscal year in order to save the debt service payments for the City. Ms. Rosen stated the money was already authorized under the approved Agency budget, and staff would provide the information to the Western Addition CAC.

Mr. Peterson informed Rev. Arnold Townsend that the requested information about the budget would be provided to the CAC.

Commissioner Yee inquired about the projected \$1.4 million in savings to the Agency and asked what period of time the savings would be realized.

Mr. Mario Menchini, Senior Financial Analyst, stated the savings would be realized over a period of between 15 to 18 years.

Commissioner Singh inquired about the interest rates of the bonds and asked how much bonds the Agency had issued in the current year.

Mr. Menchini stated the Series A bonds were estimated at 4.08%, Series B at 4.75%, Series C at 5.35% and Series D at 5.25%. Mr. Menchini stated these series of bond issuances would be the first issued in the current year.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 2 (a) RESOLUTION NO. 1-2005, AUTHORIZING THE ISSUANCE OF THE 2005 SERIES A TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN AMOUNT NOT TO EXCEED \$23,000,000 AND THE 2005 SERIES B TAXABLE TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN AMOUNT NOT TO EXCEED \$10,000,000; APPROVING FORMS OF INDENTURES OF TRUST, LOAN AGREEMENTS AND OFFICIAL STATEMENT; AUTHORIZING

THE COMPETITIVE SALE OF THE BONDS; AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MERGED EMBARCADERO – LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA/SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA/FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT AREA, RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA AND WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 2 (b) RESOLUTION NO. 2-2005, AUTHORIZING THE ISSUANCE OF THE 2005 SERIES C TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN AMOUNT NOT TO EXCEED \$50,000,000; APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENTS AND OFFICIAL STATEMENT; AUTHORIZING THE COMPETITIVE SALE OF THE BONDS; AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MERGED (EMBARCADERO – LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA, HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 2 (c) RESOLUTION NO. 3-2005, AUTHORIZING THE ISSUANCE OF THE 2005 SERIES D TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,000,000; APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENT AND OFFICIAL STATEMENT; AUTHORIZING THE COMPETITIVE SALE OF THE BONDS AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY NORTH REDEVELOPMENT PROJECT AREA), BE ADOPTED.

3. Adjournment

It was moved by Mr. Romero, seconded by Mr. Singh, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 6:53 p.m.

The Agency Commission reconvened at 6:54 p.m. to consider the remaining Agenda

Items 5 (f), 5 (g) and 5 (h) were presented together and acted upon separately.

- 5 (f)** Resolution No. 92-2005, Authorizing the execution of loan agreements in an aggregate principal amount of not to exceed \$23,000,000 relating to the issuance of 2005 Series A Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects), of not to exceed \$10,000,000 relating to the issuance of 2005 Series B Taxable Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects), approving the final official statements relating to the bonds, and authorizing and approving other matters properly relating thereto (Merged Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area/South of Market Earthquake Recovery Project Area/Federal Office Building Redevelopment Project Area, and Western Addition Redevelopment Project Area A-2)
- 5 (g)** Resolution No. 93-2005, Authorizing the execution of loan agreements in an amount of not to exceed \$50,000,000 relating to the issuance of 2005 Series C Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), approving the final official statements relating to the bonds, and authorizing and approving other matters properly relating thereto (Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area, Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, and Yerba Buena Center Redevelopment Project Area)
- 5 (h)** Resolution No. 94-2005, Authorizing the execution of a loan agreement in amount of not to exceed \$17,000,000 relating to the issuance of 2005 Series D Tax Allocation Revenue Bonds (Mission Bay North Redevelopment Project) by the City and County of San Francisco Redevelopment Financing Authority, approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto (Mission Bay North Redevelopment Project Area)

Executive Director Rosen stated that Mr. Menchini was prepared to make a presentation, but the presentation would be the same as the Financing Authority items, so the Agency Commission items were available for public comment and consideration by the Commission.

Commissioner Singh requested clarification that the total bond issuance was \$90 million and asked what the cost of issuance was and amount to be used for the Agency's work program.

Mr. Mario Menchini, Senior Financial Analyst, clarified that the total issuance was for \$100 million. Mr. Menchini explained that about half of

the issuances were to be used for refunding of existing indebtedness, about \$40 million devoted for the Agency's work program and \$10 million in a reserve account. Mr. Menchini stated the cost of issuance was about \$215,000, \$125,000 of which was for the financial advisors and \$90,000 for bond counsel.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 5 (f) RESOLUTION NO. 92-2005, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$23,000,000 RELATING TO THE ISSUANCE OF 2005 SERIES A TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS), OF NOT TO EXCEED \$10,000,000 RELATING TO THE ISSUANCE OF 2005 SERIES B TAXABLE TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS), APPROVING THE FINAL OFFICIAL STATEMENTS RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MERGED EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA/SOUTH OF MARKET EARTHQUAKE RECOVERY PROJECT AREA/FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT AREA, AND WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 5 (g) RESOLUTION NO. 93-2005, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AMOUNT OF NOT TO EXCEED \$50,000,000 RELATING TO THE ISSUANCE OF 2005 SERIES C TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS), APPROVING THE FINAL OFFICIAL STATEMENTS RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA, HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 5 (h) RESOLUTION NO. 94-

2005, AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT IN AMOUNT OF NOT TO EXCEED \$17,000,000 RELATING TO THE ISSUANCE OF 2005 SERIES D TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY NORTH REDEVELOPMENT PROJECT AREA), BE ADOPTED.

- 5 (i) Resolution No. 95-2005, Approving the Report on the Redevelopment Plan and the Redevelopment Plan for the Transbay Redevelopment Project with revisions pursuant to a request from the Board of Supervisors; recommending adoption of the Redevelopment Plan by the Board of Supervisors; and authorizing transmittal of the Agency's recommendation, including the Report on the Redevelopment Plan and the Redevelopment Plan, to the Board of Supervisors; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

President Peterson requested clarification that tax increment could not be used for non state owned parcels.

Mr. Mike Grisso, Project Manager, stated that part of the redevelopment plan would generate funding to support the construction of a new Transbay terminal, and the way the redevelopment plan would accomplish that would be to dedicate all of the tax increment generated by parcels in the project area currently owned by the State of California to the terminal. Mr. Grisso stated there were about 10 acres of those parcels, where the former Embarcadero Freeway used to run, which the State of California owned and would transfer to the City and the Agency, and all of the tax increment generated by the development would go the terminal. Mr. Grisso stated the Board of Supervisors looked at a different view of the financing structure and asked if tax increment generated by non state owned parcels would go the terminal. Mr. Grisso stated the redevelopment program did not dedicate any of the non state owned tax increment to the terminal, and dedicated solely the tax increment generated by state owned parcels. Mr. Grisso added that non state owned tax increment from non state-owned parcels was intended to be used for purposes other than the Transbay terminal.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 5 (i) RESOLUTION NO. 95-2005, APPROVING THE REPORT ON THE REDEVELOPMENT PLAN AND THE REDEVELOPMENT PLAN FOR THE TRANSBAY

REDEVELOPMENT PROJECT WITH REVISIONS PURSUANT TO A REQUEST FROM THE BOARD OF SUPERVISORS; RECOMMENDING ADOPTION OF THE REDEVELOPMENT PLAN BY THE BOARD OF SUPERVISORS; AND AUTHORIZING TRANSMITTAL OF THE AGENCY'S RECOMMENDATION, INCLUDING THE REPORT ON THE REDEVELOPMENT PLAN AND THE REDEVELOPMENT PLAN, TO THE BOARD OF SUPERVISORS; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 5 (j) Resolution No. 96-2005, Approving the fiscal year 2005-2006 Bayview Hunters Point Project Area Committee budget and allocate funds not to exceed \$20,000 for fiscal agent services and not to exceed \$130,150 for administrative support and operations services for the Bayview Hunters Point Project Area Committee, for a total aggregate amount not to exceed \$504,595 and authorizing a second amendment to the personal services contract with Bayview Opera House, Inc., a California nonprofit corporation, to extend the term of the contract from June 30, 2005 to June 30, 2006 for fiscal agent services; Hunters Point Redevelopment Project Area, Bayview Hunters Point Redevelopment Survey Area

Presenters: Gaynell Armstrong (Agency staff)

Speakers: Michael Hammond, Angelo King, Shelly Bradford-Bell

Commissioner Singh stated he wanted to commend the members of the Bayview Hunters Point PAC for doing a great job and encouraged them to keep up the great work. Mr. Singh put forth a motion to adopt item 4 (j).

Commissioner King seconded Commissioner Singh's motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 5 (j) RESOLUTION NO. 96-2005, APPROVING THE FISCAL YEAR 2005-2006 BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE BUDGET AND ALLOCATE FUNDS NOT TO EXCEED \$20,000 FOR FISCAL AGENT SERVICES AND NOT TO EXCEED \$130,150 FOR ADMINISTRATIVE SUPPORT AND OPERATIONS SERVICES FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$504,595 AND AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH BAYVIEW OPERA HOUSE, INC., A CALIFORNIA NONPROFIT CORPORATION, TO EXTEND THE TERM OF THE CONTRACT FROM JUNE 30, 2005 TO JUNE 30, 2006 FOR FISCAL AGENT SERVICES; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

Items 5 (k) and 5 (l) were presented together and acted upon separately.

- 5 (k)** Resolution No. 97-2005, Public hearing and Authorizing a ground lease agreement with Parkview Terrace Partners, L.P., a California limited liability company, for the development of 101 units of very low-income senior rental housing at 871-881 Turk Street; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program
- 5 (l)** Resolution No. 98-2005, Authorizing a tax increment loan agreement in an amount not to exceed \$13,161,373 with Parkview Terrace Partners, L.P., a California limited partnership, for the development of 101 units of very low-income senior rental housing at 871-881 Turk Street; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Kate Hartley (Agency staff)

Speakers: Ace Washington

Commissioner Breed stated she recalled when the proposed development was presented to the Western Addition CAC when she was still a member, and that she was excited about the project. Ms. Breed stated that any project that served the senior community was definitely a plus in her book and put forth a motion to adopt item 4 (k).

Commissioner Romero seconded Commissioner Breed's motion and stated this kind of project was one of the best things the Agency did.

Commissioner Covington inquired about the homeless seniors and asked how many were anticipated residing in the proposed project and what kinds of services would be made available to them. Ms. Covington stated she recognized that the homeless seniors was a population that was hard to stabilize, and she wanted to make sure that the Agency provided the necessary services that would help them remain in the housing provided.

Ms. Kate Hartley, Development Specialist, stated staff anticipated about 20 units to serve the homeless senior population and staff would work with the Department of Public Health, which would work closely with the Northern California Presbyterian Homes and Services (NCPHS) to ensure that the services provided, particularly for the homeless seniors, would be what they needed to lead stabilized lives. Ms. Hartley stated the "well-elder" and "living-at-home programs," fitness center and non-case management services would be available to all the residents. Ms. Hartley stated that all of the details had not been worked out yet, but would keep the Commission

informed of the developments in the negotiations with the Department of Public Health.

Commissioner Covington stated she trusted that staff would keep the Commission abreast of the negotiations with the Department of Public Health. Ms. Covington inquired about the residents' access to supportive services, and asked if active seniors who became frail in their later years and needed supportive services, would they have to move or relocate to the housing on Parcel A or seek care at other facilities.

Ms. Hartley stated that all of the housing units in both Parcels A and C would be for independent seniors, but staff anticipated that many of the seniors would be very frail and would be in need of relatively high degree of assistance. Ms. Hartley stated the case management services that NCPHS could provide would be referral based, so that they could arrange for residents at both Parcels A and C to be picked-up on a daily basis and taken to an adult day-care center, where they would receive very extensive services. Ms. Hartley explained that a frail senior who started out as an active senior would not have to move from Parcel C to Parcel A to get the needed services, and that was one of the greatest benefits of the senior campus.

Commissioner Covington asked for more information about the Agency's outreach to senior certificate holders.

Ms. Hartley stated staff would be doing advance notification and marketing to certificate holders, contacting them by mail and following up with the seniors on that list, and working with the community and the CAC as well as other Western Addition community groups to make sure that the word is out about the senior housing opportunities on Parcels A and C.

Commissioner Covington stated she wanted to see more details of the outreach plans because there had been ongoing concerns that certificate holders had not been notified of housing opportunities as they arose, and requested staff to report back to the Commission on the progress of the outreach campaign. Ms. Covington stated that as a new Commissioner, it would be helpful to her to have a workshop on the Central Freeway parcels and what the overall plans were to see whole spectrum of the Agency's plans for the area.

Ms. Hartley stated staff had conducted workshops in the past and would be happy to do more as well as provide written material to the Commission.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 97-2005, PUBLIC HEARING

AND AUTHORIZING A GROUND LEASE AGREEMENT WITH PARKVIEW TERRACE PARTNERS, L.P., A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF 101 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT 871-881 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 98-2005, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$13,161,373 WITH PARKVIEW TERRACE PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 101 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT 871-881 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (m) Resolution No. 99-2005, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an aggregate amount not to exceed \$12,500,000 to finance the acquisition and rehabilitation of the Banneker Homes, a 108-unit residential development located at 765 Fulton Street by Banneker Homes Partners, L.P., a California limited partnership; Western Addition Redevelopment Project Area A-2

Presenters: David Sobel (Agency staff)

Speakers: Al Williams, Rev. Arnold Townsend

Commissioner Breed inquired about the plans for the parking lot and asked about the safety issues and if there were any proposed solutions at this time.

Mr. Al Williams, Property Manager for Banneker Homes, stated they had just begun with preliminary work on the structural condition for the parking lot, the walls for which were upgraded about 10 years ago and had met all of the FEMA standards. Mr. Williams stated that as part of the rehabilitation of Banneker Homes, the parking lot would be upgraded and reopened for use to alleviate the parking pressures in the neighborhood. Mr. Williams stated the Banneker Board of Directors were well aware of the safety issues and would address them. Mr. Williams stated that the proposed solutions were still being worked out and they would make sure and notify Agency staff and hoped that within a month, more details would become available.

Commissioner Breed asked what staff's outreach to the surrounding community about the project entailed. Ms. Breed asked if a paint color concept had been developed for the rehabilitation project.

Mr. David Sobel, Senior Development Specialist, stated members of the Banneker Homes Board of Directors attended the special workshop on the project before the Western Addition CAC, and staff would continue to conduct broader outreach particularly with the parking lot safety issues.

Mr. Al Williams stated that a paint color concept had not yet been developed, but was currently being worked on.

Commissioner Breed put forth a motion to adopt item 4 (m), but stated she would encourage continued outreach to the surrounding community especially the African-American Art and Culture Complex, which she was the Executive Director for, and also requested in writing a detailed plan with regards to the safety concerns of the parking lot, and requested the opportunity for the Commission to review the color concept for the rehabilitation project.

Commissioner Singh asked what the unit sizes were and stated that he had calculated a cost of \$117,000 per unit to rehabilitate the 108 units, and asked for further clarification.

Mr. Al Williams stated the units ranged between 800 to 1400 square feet. Mr. Williams stated they had projected \$68,000 per unit, and explained that figure was an overall cost and that \$68,000 was not going to be expended on each unit. Mr. Williams stated additional costs would include upgrading the whole building, including mechanical systems, roof and dry rot repairs, security system, a new children's play area and possibly a community room for the residents to increase the quality of life.

Commissioner Singh stated that the \$117,000 per unit cost for rehabilitation seemed high, but would support the proposal. Mr. Singh seconded Commissioner Breed's motion to adopt item 4 (m).

President Peterson stated he assumed that Agency staff would be keeping a close eye on the rehabilitation project as it progressed.

Executive Director Rosen stated as Mr. Sobel indicated, the bond inducement resolution was the first step in the rehabilitation project, and staff would work closely with them as they develop the scope of the rehabilitation, and negotiate a proposed regulatory agreement that would come back to the Commission for consideration. Ms. Rosen stated she was certain that the project sponsor heard loud and clear Commissioner Breed's

request to continue to broaden the outreach to the surrounding community and staff would work with them to accomplish that.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 99-2005, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$12,500,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF THE BANNEKER HOMES, A 108-UNIT RESIDENTIAL DEVELOPMENT LOCATED AT 765 FULTON STREET BY BANNEKER HOMES PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

6. MATTERS NOT APPEARING ON THE AGENDA None.

7. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Ace Washington

8. REPORT OF THE PRESIDENT

- President Peterson stated he was remiss at the previous Commission meeting when he was elected Commission President, and had not thanked and properly recognized Commissioner Ramon Romero for his outstanding job as Commission President. Mr. Peterson stated he was impressed with Mr. Romero's diplomatic skills as he calmly moved the meetings along, and hoped that he (Mr. Peterson) could continue that excellent practice. Mr. Peterson thanked Mr. Romero for his efforts and apologized for the long overdue recognition.
- President Peterson stated he wanted to recognize Executive Director Rosen and General Counsel Morales for having the right spirit related to the Starbucks issue. Mr. Peterson stated in talking with Ms. Rosen and Mr. Morales, he and Vice-President Breed did not have to push them to try to get involved to see if there was something that could be done to resolve the situation, because they were very much in support from the outset, to address the problem proactively and try to find some compromise.

- President Peterson informed the Commission and the public that the Commission meeting of July 5th would be cancelled and the next scheduled meeting in the month of July would be on July 19th. Mr. Peterson clarified that there would be a Commission meeting on June 21st.

9. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen informed the Commission that at the recess, she spoke with both the President of the Board and Executive Director of the Japantown Task Force and requested to get together with them as soon as practicable. Ms. Rosen stated she would go to Japantown and meet with them and report back to the Commission. Ms. Rosen stated she also spoke with Mr. John McInerney and Mr. Jim Reuben and encouraged them to contact the Japantown Task Force to start the communication and informed them that the Agency would be sending a letter memorializing the motion that was adopted by the Commission, urging them to extend the local marketing period and to work in good faith with the community for a plan to lease the space to a local community small business.

Executive Director Rosen stated she wanted to give greetings to Mrs. Mary Rogers and informed the Commission that Mrs. Rogers was hospitalized again the past weekend at Kaiser Hospital. Ms. Rosen stated she spoke with Mrs. Rogers several times the day before and earlier in the day about items on the Agenda relating to Western Addition, including the informational memorandum on the Promotions Office, which was provided to the Commission. Ms. Rosen wished Mrs. Rogers healing energy and a quick recovery.

- Letter to Supervisor Tom Ammiano in response to a request from Supervisor Sophie Maxwell to explicitly put in the Transbay Redevelopment Plan for the Agency to strive for 50% allocation of all tax increment generated for affordable housing. Ms. Rosen stated that Supervisor Maxwell had also introduced legislation urging the Agency to reaffirm its policy to use 50% of all tax increment generated for the development of affordable housing in all future redevelopment plans that would come before the Board of Supervisors. That Board resolution was adopted unanimously earlier today at the Board of Supervisors meeting.
- Visitation Valley proposed redevelopment survey area – Supervisor Maxwell's resolution to designate the Schlage Lock site and Leland Avenue commercial district as a redevelopment survey area was considered and unanimously adopted earlier at the Board of Supervisors meeting. The Board of Supervisors also acted to support the Visitation Valley Strategic Concept Plan that the Planning Commission had

approved, that could be used for the redevelopment survey area. The Mayor's budget proposal pending before the Board of Supervisors included funding in the Planning Department's budget, for the initial environmental work, historic resources survey, and redevelopment studies necessary for the redevelopment survey work. Agency staff would work with the Planning Department to develop the planning and survey work and report back to the Commission.

- Informational memorandum regarding minor changes requested by the Mayor's Office to the Agency's fiscal year 2005/2006 budget. The Agency's 2005/2006 budget was scheduled to be heard at the Board of Supervisors' Budget Committee on June 20th and June 27th.
- Informational memorandum regarding recent developments regarding the Agency's Personal Services Contract with Cultural ID to operate the Fillmore Jazz District Promotions Office and staff's intention to present the Commission with a proposal to reallocate undisbursed funds that were previously authorized for the Personal Services Contract with Cultural ID and the Third Year Operating Budget for the Promotions Office to produce promotional activities in the Jazz District. Ms. Rosen informed the Commission that Cultural ID had sent the Agency a 60 day notice of its intent to terminate the contract, while committing to complete an exit strategy. Ms. Rosen stated staff would bring a proposal for Commission consideration as soon as possible.
- Ms. Rosen stated she wanted to recognize Commissioner London Breed and Mrs. Mary Rogers for a successful Juneteenth kick-off celebration held at the Green Room of the War Memorial building, with many talented young people from the community performing. Ms. Rosen congratulated Commissioner Breed for a great job as emcee.

10. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed shared that the Juneteenth kick-off celebration was a real success and stated she was sorry that some of the Commissioners did not receive their invitation, but she was not involved in the outreach and she was just asked to emcee the event. Ms. Breed stated as a life-long member of the Western Addition community, Juneteenth was a very important celebration that gave her a sense of belonging, but as years went by, the event was not well-organized and was moved around from Fillmore to Kimball's Park, and eventually came back to the Fillmore. Ms. Breed stated she was hesitant to participate with the Juneteenth group because she felt it was disorganized, but the current committee was doing a great job and she was really happy with the commitment of the people planning the celebration, as the celebration

had become bigger and better every year. Ms. Breed stated she wanted to share a letter she received from the Juneteenth Festival Committee requesting additional financial assistance and asked staff to look into the committee's request and to submit it to the Western Addition CAC for review and recommendation, and hopefully brought to the Commission for its consideration and approval. Ms. Breed stated she wanted the request for financial assistance to be taken seriously because of the importance of the annual celebration where everyone agrees to set aside their differences for one day to help heal the divisiveness in the community. Ms. Breed reiterated that she wanted staff to look into Juneteenth's request, submit it to the CAC and hopefully be brought to the Commission for its consideration.

- Commissioner Breed stated the issue that Mr. Ace Washington spoke about regarding the lease of space at 1520 Eddy Street in the Fillmore, was an issue that should be addressed and discussed at the CAC before bringing the matter before the Commission. Ms. Breed stated to the extent that the matter was an Agency issue, she would like staff and the CAC to work together and if necessary bring the matter before the Commission for resolution.
- Commissioner Singh stated he was also concerned that some Commissioners did not receive invitations to the Juneteenth kick-off celebration. Mr. Singh stated Commissioners were not receiving their mail and other communication on time, sometimes a week after a scheduled event, and Commissioners were given excuses. Mr. Singh stated he did not want to hear excuses and the person responsible for the late mail should be admonished.
- Commissioner King stated the Commission Secretary receives communication for Commissioners and he sends it along with the Agenda packet, but by the time Commissioners receive the communication, the event had already taken place. Mr. King stated the Commission Secretary should figure out a way of getting the information to the Commissioners in a timely fashion. Mr. King stated it was not just the Juneteenth kick-off, but also an event at the Yerba Buena Gardens and another for the Jewish Museum, which was sent late to Commissioners.

Executive Director Rosen stated she believed the Commission Secretary forwarded invitations for events that he was aware of to Commissioners as soon as he receives them, but the Juneteenth kick-off invitations were not sent to the Agency at all. Ms. Rosen stated she would redouble efforts with Mr. Tanjuaquio to ensure that Commissioners' mail was sent in a timely fashion, but often times the sponsoring entities for various events sends the invitations to the Agency offices after the events or very close to the date of the event, and it was not the Secretary's responsibility when invitations

arrive late. Ms. Rosen stated the Commission Secretary was always diligent and she would work with him to make sure that every piece of mail gets to the Commission in a timely fashion.

- Commissioner King asked why the Commissioners' agenda packets for the last two Commission meetings were delivered late on Fridays, instead of the usual Thursday afternoon.


Executive Director Rosen stated both times it was the same problem where staff was trying to complete the memorandum for the 1600 Webster matter, which was changing up until the very last minute. Staff did not receive the notification about the 30-day local marketing offer from Mr. McNerney until Friday morning, and Thursday evening staff was still negotiating an extended marketing period. Ms. Rosen stated there were extenuating circumstances beyond the control of staff, and staff would do its best to minimize those times.

- Commissioner Covington suggested that when invitations arrive with a short turn around time, the Secretary should photocopy them and send to Commissioners via facsimile.
- Commissioner Romero stated he agreed with Commissioner Covington's suggestion and that he did not get personal mail sent to the Agency, so all of his mail could be opened.
- Commissioner Singh stated that for example, the notice for the Mayor's budget unveiling for May 31st was mailed to Commissioners on May 27th and he did not receive it until after the event. Mr. Singh stated the notice should have been sent by facsimile and not mailed.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:42 p.m.

Respectfully submitted,



Erwin R. Tanjaquio
Agency Secretary

APPROVED:

June 21, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
21ST DAY OF JUNE 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of June 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of June 7, 2005

- 4 (b) Resolution No. 100-2005, Authorizing an amended and restated Personal Services Contract with McCoy's Patrol Service, a California corporation, for interim security services at the Hunters Point Shipyard to extend the contract for a term not to exceed three months, from July 1, 2005 through September 30, 2005 and increase the contract amount by \$75,000 for a total aggregate amount not to exceed \$1,030,000; Hunters Point Shipyard Redevelopment Project Area
- 4 (c) Resolution No. 101-2005, Authorizing a First Amendment to the Agency agreement with the Treasure Island Development Authority, a public body, corporate and politic, for the provision of Agency staff services to the Treasure Island Development Authority, for a term not to exceed three months
- 4 (d) Resolution No. 102-2005, Authorizing a Third Amendment to the Rental Subsidy Agreement with the Housing Authority of the City and County of San Francisco, to extend the contract term through September 30, 2005 and to increase compensation by an amount not to exceed \$812,500, for a total aggregate amount not to exceed \$4,062,500, to provide rental assistance for the third year of a three year contract; Housing Opportunities for Persons With AIDS Program ("HOPWA")
- 4 (e) Resolution No. 103-2005, Authorizing a First Amendment to the Housing Opportunities for Persons With AIDS ("HOPWA") Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, to extend the contract term through September 30, 2005 and to increase the compensation by an amount not to exceed \$65,000, for a total aggregate amount not to exceed \$325,000, for July 1, 2004 to September 30, 2005, to provide supportive services related to the HOPWA Rental Subsidy Program; Housing Opportunities for Persons with AIDS Program
- 4 (f) Resolution No. 104-2005, Consenting to former Agency employee Kofi Bonner's work with Lennar Corporation regarding the Hunters Point Shipyard project; Hunters Point Shipyard Redevelopment Project Area

**Consent Agenda item 4 (c) was withdraw from the Consent Agenda.
The Commission voted on Consent Agenda items 4(a), (b), (d), (e) and (f)**

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 7, 2005, 4 (b) RESOLUTION NO. 100-2005, AUTHORIZING AN AMENDED AND RESTATED PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, FOR INTERIM SECURITY SERVICES

AT THE HUNTERS POINT SHIPYARD TO EXTEND THE CONTRACT FOR A TERM NOT TO EXCEED THREE MONTHS, FROM JULY 1, 2005 THROUGH SEPTEMBER 30, 2005 AND INCREASE THE CONTRACT AMOUNT BY \$75,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,030,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, 4 (d) RESOLUTION NO. 102-2005, AUTHORIZING A THIRD AMENDMENT TO THE RENTAL SUBSIDY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, TO EXTEND THE CONTRACT TERM THROUGH SEPTEMBER 30, 2005 AND TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$812,500, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,062,500, TO PROVIDE RENTAL ASSISTANCE FOR THE THIRD YEAR OF A THREE YEAR CONTRACT; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, 4 (e) RESOLUTION NO. 103-2005, AUTHORIZING A FIRST AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS ("HOPWA") SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT TERM THROUGH SEPTEMBER 30, 2005 AND TO INCREASE THE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$65,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$325,000, FOR JULY 1, 2004 TO SEPTEMBER 30, 2005, TO PROVIDE SUPPORTIVE SERVICES RELATED TO THE HOPWA RENTAL SUBSIDY PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, AND 4 (f) RESOLUTION NO. 104-2005, CONSENTING TO FORMER AGENCY EMPLOYEE KOFI BONNER'S WORK WITH LENNAR CORPORATION REGARDING THE HUNTERS POINT SHIPYARD PROJECT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

The Commission considered item 4 (c) as a separate item.

- 4 (c) Resolution No. 101-2005, Authorizing a First Amendment to the Agency agreement with the Treasure Island Development Authority, a public body, corporate and politic, for the provision of Agency staff services to the Treasure Island Development Authority, for a term not to exceed three months

Presenters: Ayisha Benham (Agency staff)

Speakers: James Bryant

Commissioner Singh asked if anyone from the Treasure Island Development Authority was in attendance at the meeting.

Executive Director Rosen stated the matter was considered by the Treasure Island Development Authority (TIDA) at its June 8th meeting, at which TIDA adopted a resolution requesting the Agency to extend the agreement. The Mayor's Office and TIDA requested the three month extension because they had anticipated that TIDA would become an independent agency by the time the agreement was to expire on June 30th. However, TIDA had not completed all the tasks to do so and in consultation with the Mayor's Budget Office, TIDA had requested a three-month, month-to-month extension so that TIDA's employees could remain on the Agency's payroll. Ms. Rosen stated that representatives from the TIDA were not in attendance because they believed the extension request was a routine matter as the policy decisions about entering into the agreement were heard and discussed before the Agency Commission last year. Ms. Rosen stated if the extension was not granted the Agency would have no authority to continue to employ the limited-term assignment employees beyond June 30th.

Commissioner Singh asked if the Executive Director strongly recommended the three-month extension.

Executive Director Rosen stated she believed the extension was month-to-month not to exceed three months. Ms. Rosen stated this was not something the Agency initiated and was done at the request of the Mayor's Office and the TIDA, but having done so, the TIDA employees had been on the Agency's payroll and the Agency was the employer of record during the transition period for all TIDA employees except for Director Tony Hall, who was under contract with the TIDA. Ms. Rosen stated she believed that three of the employees are members of Local 790 and ten are members of Local 21, and all are Agency employees pursuant to the TIDA agreement and the Agency's labor agreements. Ms. Rosen stated she would urge the Commission to continue the agreement with the TIDA for up to three months as requested. Ms. Rosen stated she would be happy to meet with Mr. James Bryant or facilitate a meeting between Mr. Bryant and Director Tony Hall.

Commissioner Singh stated he did not want to disrupt the provision of Agency staff services and asked if the agreement could be extended on a month-to-month basis, but not for three months.

Executive Director Rosen stated staff was recommending a three-month extension. If the Commission only approved a month-to-month extension, the matter would have to come back before the Commission next month and the next scheduled Commission meeting would not be until July 19th, but the matter was at the discretion of the Commission.

Commissioner Singh asked if the Commission approved the three-month extension, would the Executive Director meet with Mr. James Bryant and the TIDA.

Executive Director Rosen stated she would meet with Mr. Bryant and added that the Agency's Human Resources Manager, pursuant to the Agency's labor agreements, had a meet and confer conversation with Mr. Bryant.

Commissioner Singh put forth a motion to adopt item 4 (c). Commissioner Romero seconded the motion.

Commissioner King requested verification that Executive Director Rosen would meet with Mr. Bryant to resolve any outstanding issues.

Executive Director Rosen stated she would personally meet with Mr. Bryant and at his request, would facilitate a meeting with Director Tony Hall and report back to the Commission at its meeting on July 19th.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 101-2005, AUTHORIZING A FIRST AMENDMENT TO THE AGENCY AGREEMENT WITH THE TREASURE ISLAND DEVELOPMENT AUTHORITY, A PUBLIC BODY, CORPORATE AND POLITIC, FOR THE PROVISION OF AGENCY STAFF SERVICES TO THE TREASURE ISLAND DEVELOPMENT AUTHORITY, FOR A TERM NOT TO EXCEED THREE MONTHS, BE ADOPTED.

REGULAR AGENDA

- 4 (g) Resolution No. 105-2005, Authorizing the issuance of special tax bonds for Community Facilities District No. 6 (Mission Bay South Public Improvements) in an amount not to exceed \$21,000,000, approving and directing the execution of a second supplement to fiscal agent agreement and a bond purchase agreement, and approving other related documents and actions; Mission Bay South Redevelopment Project Area

Presenters: Mario Menchini (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 105-2005, AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS FOR COMMUNITY FACILITIES DISTRICT NO. 6 (MISSION BAY SOUTH PUBLIC IMPROVEMENTS) IN AN AMOUNT NOT TO EXCEED \$21,000,000, APPROVING AND DIRECTING THE EXECUTION OF A SECOND SUPPLEMENT TO

FISCAL AGENT AGREEMENT AND A BOND PURCHASE AGREEMENT, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h) and 4 (i) were presented together and acted upon separately.

- 4 (h)** Resolution No. 106-2005, Authorizing a 2005-2006 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$703,000 from July 1, 2005 to June 30, 2006, as part of the Housing Opportunities for Persons With AIDS Program
- 4 (i)** Resolution No. 107-2005, Authorizing a 2005-2006 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$740,000, from July 1, 2005 to June 30, 2006, as part of the Housing Opportunities for Persons With AIDS Program

Presenters: Chris Harris (Agency staff)

Commissioner Covington asked if there was a limit on the tenure of HOPWA residents, or was the housing provided transitional housing or permanent housing. Ms. Covington requested verification that there were 2,000 names on the housing waitlist and asked how the names were selected for the available housing.

Ms. Chris Harris, Senior Development Specialist, stated that almost all of the HOPWA programs were permanent housing and only one or two were transitional housing developments, so residents could reside as long as they wanted to. Ms. Harris stated that the licensed care facilities, the tenure was a lot shorter because they served late-stage HIV/AIDS and Hospice patients. Ms. Harris stated the Department of Public Health administered the housing waitlist and would make referrals as attrition occurred, and as beds and units became available for specific HOPWA designated units, but the City and Agency had made great strides in the past several years to educate the community and work with the other City departments so that people living with HIV/AIDS were not just looking for HOPWA designated housing because there had not been enough new money available to keep up with the need. Ms. Harris stated that anyone on the list would be encouraged and supported to apply when any other non-HOPWA specific housing became available that might be affordable to them.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 106-2005, AUTHORIZING A 2005-2006 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$703,000 FROM JULY 1, 2005 TO JUNE

30, 2006, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 107-2005, AUTHORIZING A 2005-2006 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED \$740,000, FROM JULY 1, 2005 TO JUNE 30, 2006, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (j) Resolution No. 108-2005, Approving a fiscal year 2005-2006 budget for the South of Market Project Area Committee in an amount not to exceed \$193,423 and authorizing a Third Amendment to the Personal Services Contract with the San Francisco Community Clinic Consortium, a California nonprofit public benefit corporation, to extend the contract for fiscal agent services on a month-to-month basis for a period not to exceed six months and to increase the maximum amount payable by \$96,712 for an aggregate amount not to exceed \$621,649, subject to funding approval by the Board of Supervisors; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Commissioner Yee stated he received regular correspondence from members of the South of Market Project Area Committee (PAC) and thanked them for doing an outstanding job. Mr. Yee stated he had also received complaints from some members of the PAC about the PAC's composition, asked if the Executive Director was aware of the situation and requested verification that the Board of Supervisors established the composition of the PAC.

Executive Director Rosen stated pursuant to State law, PACs were established by articles of formation adopted by the Board of Supervisors, which established the composition by categories listed in the State law. Ms. Rosen stated that although there was no requirement, the Board of Supervisors could amend the articles of formation, and understood that Supervisor Chris Daly had also been contacted by some members of the PAC and there may be an opportune time for a Board of Supervisors hearing regarding the PAC composition when the proposed South of Market Redevelopment Plan Amendment moved forward. Ms. Rosen stated at the current time, there was a balanced PAC with some vacancies in some of the categories and the PAC did elect new members for the vacant slots, which they advertised. Ms. Rosen stated there were still opportunities for interested people to fill vacancies.

Commissioner Yee asked how often the Board of Supervisors would conduct a hearing to change the composition of the PAC membership.

Executive Director Rosen stated the Board of Supervisors was not required to conduct a hearing, but would have the authority to do so to revisit the issue.

Commissioner Yee reiterated that he continued to receive complaints from some members of the PAC that they had no voice because the majority was controlled by one side and opined that was not fair. Mr. Yee stated he hoped that when the Board of Supervisors conducted its hearing, concerned members would attend and make the Board of Supervisors aware of their concerns. Mr. Yee put forth a motion to adopt item 4 (j).

Commissioner Romero seconded Commissioner Yee's motion and thanked the hard working members of the South of Market PAC.

Commissioner Singh stated he wanted to commend Ms. Cathy Pickering for her hard work.

Commissioners Yee and King also applauded Ms. Pickering's hard work.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 108-2005, APPROVING A FISCAL YEAR 2005-2006 BUDGET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$193,423 AND AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO COMMUNITY CLINIC CONSORTIUM, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT FOR FISCAL AGENT SERVICES ON A MONTH-TO-MONTH BASIS FOR A PERIOD NOT TO EXCEED SIX MONTHS AND TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$96,712 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$621,649, SUBJECT TO FUNDING APPROVAL BY THE BOARD OF SUPERVISORS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 109-2005, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$285,000, for homeowner assistance and housing development activities, as part of the Agency's Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

Speakers: Ed Donaldson, Dorris Vincent

Commissioner Breed requested information about outreach efforts in the Western Addition of available homeownership opportunities.

Ms. Regina Davis, Executive Director of the San Francisco Housing and Development Corporation, stated that they conducted monthly workshops and on alternate months, they had and continue to provide housing counseling and four-hour training at the Fillmore Police Station. Ms. Davis stated the meetings were usually well attended with about 40 to 60 families in attendance. Ms. Davis stated they were also in attendance at the weekend festivities of the Juneteenth Festival and had attended for the last five years, providing information about available services to interested members of the community.

Commissioner King put forth a motion to adopt item 4 (k) and stated that 15 to 20 years ago, there were no minority non-profit developers and the Agency supported the San Francisco Housing and Development Corporation and Ms. Davis had done a good job educating the community about affordable housing and homeownership opportunities. Mr. King stated he had attended two or three workshops conducted by Ms. Davis at the West Bay Conference Center and wanted to thank Ms. Davis for her hard work.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (k).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 109-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$285,000, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES, AS PART OF THE AGENCY'S CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Items 4 (l) and 4 (m) were presented together and acted upon separately.

- 4 (l) Resolution No. 110-2005, Authorizing a Fifth Amendment to an Exclusive Negotiations Agreement with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, to extend the expiration from January 31, 2005 to January 31, 2006, leading to a Development and Disposition Agreement of 4800 Third Street, within the Bayview Hunters Point Redevelopment Survey Area, for the development

of 18 low-and moderate-income first-time ownership units and ground floor commercial space; Citywide Tax Increment Housing Program

- 4 (m)** Resolution No. 111-2005, Authorizing a First Amendment to the Tax Increment Loan Agreement with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, to increase the loan by \$453,500 for a total amount not to exceed \$853,500, for the development of 18 low-and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street, within the Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Dorris Vincent

Commissioner Singh asked if the request was for a loan or a grant and what the method of repayment was.

Ms. Vanessa Dandridge, Development Specialist, stated the request was for predevelopment loan funds, repayment of which would be deferred and later converted to a permanent subsidy to the project.

Executive Director Rosen stated that the cost of development was greater than the price the Agency was charging because of the affordability restrictions. The Agency's support would enable the homeownership opportunities to be available to people with low- and moderate-income, with the Agency subsidy remaining with the project. In turn, the homeowners would be restricted in their resale price so that the affordable housing would be permanently available to people at that income level.

Commissioner Singh requested verification that the funding request was not a loan, but a grant.

Executive Director Rosen stated the funding request was not a grant because it was for predevelopment activities and if the developer were to default on their obligations, the Agency would be free to go after repayment of the predevelopment loans. Ms. Rosen stated it was contemplated that at the time they obtain their construction lending along with financial support from the State programs they would be applying for, the funds would be converted to a permanent loan. Ms. Rosen stated the predevelopment loan was for a short term period to undertake the predevelopment activities necessary to get to the construction of the project.

Commissioner Singh put forth a motion to adopt item 4 (l).

Commissioner Yee asked when the Bayview Hunters Point Survey Area was designated as a redevelopment survey area.

Executive Director Rosen stated the larger Bayview Hunters Point was designated as a redevelopment survey area in 1995, and the Bayview Hunters Point PAC endorsed the concept plan for the area in 2000. Ms. Rosen stated that hopefully the redevelopment plan adoption would be before the Commission in the next few months.

Commissioner Yee stated this was a good project and hoped that the Agency could continue to build more housing for homeownership opportunities. Mr. Yee seconded Commissioner Singh's motion to adopt item 4 (l).

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (l) RESOLUTION NO. 110-2005, AUTHORIZING A FIFTH AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE EXPIRATION FROM JANUARY 31, 2005 TO JANUARY 31, 2006, LEADING TO A DEVELOPMENT AND DISPOSITION AGREEMENT OF 4800 THIRD STREET, WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, FOR THE DEVELOPMENT OF 18 LOW-AND MODERATE-INCOME FIRST-TIME OWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (m) RESOLUTION NO. 111-2005, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN BY \$453,500 FOR A TOTAL AMOUNT NOT TO EXCEED \$853,500, FOR THE DEVELOPMENT OF 18 LOW-AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET, WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (n) Resolution No. 112-2005, Designating the 1700 block of Newcomb Avenue as the pilot block for participation in the Model Block program, Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: David Sobel, Gaynell Armstrong (Agency staff)

Speakers: Michelle Mouton, Sandra Michelotti, Jessie Tello, Patricia C. Tak, Mardina Graham, Lavelle Alderson, Nicole Strain

Commissioner Yee stated he thought the Model Block Program was a wonderful program and wished that it was started 25 years ago when Commissioner Leroy King first became a Commissioner. Mr. Yee jested with the audience and stated that each and every one of the participants would be asked to sign a note and a recorded deed of trust against each of the property. Mr. Yee stated he was just joking and that the Commission appreciated seeing all of the property owners at the meeting, especially those attending the Commission meeting for the first time. Mr. Yee stated the Agency was there to help people from the community, and that the Agency had abundant resources and had budgeted one million dollars for the Model Block Program. Mr. Yee put forth a motion to adopt item 4 (n).

Commissioner Romero thanked the residents for coming to the meeting and stated that the Commission had conducted a workshop on the Model Block Program a few months ago and recalled there were significant questions raised as to whether the proposed program was a good idea. Mr. Romero stated this was the way politics worked and the presence of the residents showed to the Commission that this was not just something the Agency staff made-up, but was something of significance to the people who lived in the Bayview Hunters Point community. Mr. Romero stated that numerous lobbyists and lawyers routinely came before the Commission on various matters to let the Agency know what they thought as opposed to what they felt, and the residents and property owners from the 1700 block of Newcomb Avenue came to the meeting to let the Commission know how they felt about the Model Block Program. Mr. Romero stated he appreciated the time the residents took to come to the meeting and urged them to stay involved, prepared and organized to see the program through. Mr. Romero stated he wanted to applaud the speakers' efforts and courage to address the Commission. Mr. Romero thanked Mr. David Sobel, Ms. Vanessa Dandridge and Gaynell Armstrong for their hard work, and seconded Commissioner Yee's motion to adopt item 4 (n).

Commissioner Covington stated she certainly agreed that it was good to see all of the residents turn out for the meeting, and encouraged them to continue their participation in the process. Ms. Covington stated the residents' excitement was infectious and the Commission was very much excited about the Model Block Program. Ms. Covington asked how many homes there were on the 1700 block of Newcomb Avenue and the percentage of homeowners and renters.

Ms. Gaynell Armstrong, Project Manager, stated there were 48 homes on the 1700 block of Newcomb Avenue, and a range of between 80 to 90% were homeowners.

Commissioner Covington inquired about the menu of possible activities and asked if there were provisions for landscaping of backyards because many of the homes in the Bayview had substantial backyards.

Ms. Armstrong stated there had been discussions about landscaping of yards and the Agency would need to work with other City Departments to make that happen. Ms. Armstrong stated that since there was not yet an official redevelopment plan adopted for the area, the Agency did not have a lot of flexibility with its funds, which could only be used for housing related expenditures. Ms. Armstrong stated staff would be working closely with the Department of Public Works, the Friends of the Urban Forest and San Francisco Beautiful to address the landscaping issues.

Executive Director Rosen added that the staff and community's analysis was once a block was designated, there would be greater success in getting the support from the other City departments and from potential foundation grants and Department of the Environment. Ms. Rosen stated as the Commission could see, the residents were great advocates for their cause and staff wanted to take the initial step of designating the pilot block so that the Agency could work with them on their preferred menu of activities, and then work with the Agency's community partners to help deliver the various aspects of the program. Ms. Rosen stated staff was confident that working together with the residents, a variety of resources could be amassed and leverage the Agency's limited initial investment in the program.

Commissioner Covington asked once the menu options were decided by the community, what would be the approval process for individual homeowners to get the work done.

Executive Director Rosen stated staff did not yet have the answer, but would work with the community to see how much the limited funds could be stretched, and bring back to the Commission the specifics of the program, including the proposed terms of any loans or grants and the approval process. Ms. Rosen stated staff would bring a comprehensive program to the Commission when the expenditure authority would be requested.

Commissioner Covington asked who generated the idea of the Model Block Program.

Ms. Armstrong stated that Mr. Olson Lee, the Agency's Deputy Executive Director for Housing, proposed the idea.

Commissioner Breed asked if the funds for the Model Block Program would provide assistance for infrastructure repairs.

Mr. David Sobel, Senior Development Specialist, stated that until a redevelopment project area was adopted, the expenditure of Agency funds would be limited to housing only. Once the redevelopment plan was adopted, hopefully in a few months, the Agency would have more flexibility. Mr. Sobel stated staff already had several meetings with the Department of Public Works and the Mayor's Office of Housing and other City departments to try and access their resources so that the infrastructure needs could be addressed since the Agency would not be able to fund those expenditures. Mr. Sobel stated in terms of the housing funds, any renovation or repairs within the individual property, in addition to the windows, could be funded by the Agency.

Executive Director Rosen added that the Mayor's Office of Housing administered a single-family rehabilitation loan program, which would be an example of where public funds could be used or where the Agency could partner with other agencies that have programs that could be adapted to the Model Block Program.

Commissioner Breed requested verification that Agency staff or some other organization would be devoted to assist individual homeowners with applying for available funds or going through the process.

Mr. Sobel stated staff envisioned sitting down with the residents of the whole block to look at the vision for the whole block to determine the appropriate menu of activities. In addition, staff would meet one-on-one with each individual homeowner to devise a strategy for their individual property. Mr. Sobel stated that a construction management entity would be engaged to assist staff in evaluating and assessing what would be feasible, what the costs would be, and develop an appropriate scope of work. The Agency would oversee the work, and assist the homeowner in applying for funds. Mr. Sobel shared that the Mayor's Office of Housing had indicated it was willing to commit some of the slots from its single-family rehabilitation loan program to the Model Block Program.

Commissioner Breed asked once the property values appreciate because of the improvements, what impacts would there be on the homeowners and would there be any restrictions to the homeowners.

Mr. Sobel stated at this time, staff had not worked out the full details of Agency's financing. Mr. Sobel stated staff did not envision restricting the sales prices in any way on the homes as they would stay in the market whether there was an Agency loan to be repaid or any deferred interest on

the property. Mr. Sobel stated there would be a number of strategies that could be devised depending on the individual circumstance of the homeowner, but it was unlikely that sales prices of the homes would be restricted.

Commissioner Breed stated she supported the program wholeheartedly and encouraged staff to communicate thoroughly with each of the homeowner of the specific requirements of the program and to keep the Commission apprised of the program's development.

Executive Director Rosen stated the Commission would be approving any agreements entered into with the property owners.

Commissioner King congratulated the residents and thanked them for coming to the meeting. Mr. King encouraged them to not only work with the Redevelopment Agency, but also other City departments to ensure the success of the program. Mr. King commended staff and the Executive Director for developing the Model Block Program, and recalled that years ago, there was a block program in Bayview Hunters Point that Alex Pitcher and other community leaders worked on. Mr. King urged the residents to keep up the good work, stay organized and work together. Mr. King stated as Commissioner Romero stated earlier, this was the way politics worked, and encouraged the residents to keep the pressure on the Commission to see the program through.

Commissioner Singh asked when the program was scheduled to be completed following the Commission's designation of the pilot block.

Ms. Armstrong stated following the designation of the pilot block, staff would again meet with the property owners and work with a nonprofit construction manager to start working on their individual menu of activities. Ms. Armstrong stated staff hoped to conclude this part of the process by the end of the summer, and then staff would come back to the Commission to request the expenditure authority. Ms. Armstrong stated staff anticipated completion of the pilot block by next summer and then move on to the designation of another block.

Commissioner Singh stated he recalled that his fellow Commissioners stated they would be happy to vote for the program, but he felt fortunate as a Commissioner, to be able to make many people happy. Mr. Singh thanked the residents for coming to the meeting.

President Peterson stated it was not very often in the City where every one in a room was in agreement. Mr. Peterson stated the Model Block Program was very exciting and reminded him that Mayor Newsom often cites anecdotes from the book Tipping Point written by Malcolm Gladwell, and

one of the most powerful conclusion in the book was, that making an area that was depressed at least aesthetically beautiful, can help breed a sense of self-respect, pride in the community, which could help do miraculous things, including lower serious crime and even minor crimes like graffiti and litter. Mr. Peterson stated the residents of the 1700 block of Newcomb Avenue had done a lot in the past few months to emulate the sentiments of the book. Mr. Peterson stated as the model for the Model Block Program, he urged the residents to stick together because they represented the beginning of a really bright opportunity for the rest of the City and for a multitude of streets in San Francisco that could avail of the same opportunity. Mr. Peterson stated he wanted to encourage not only the Agency, but also other City departments to be conscious of making the program as cost-effective as possible to ensure optimal use of the limited public dollars. Mr. Peterson commended the residents for the great start of what was sure to be a wonderful program.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (n) RESOLUTION NO. 112-2005, DESIGNATING THE 1700 BLOCK OF NEWCOMB AVENUE AS THE PILOT BLOCK FOR PARTICIPATION IN THE MODEL BLOCK PROGRAM, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.
6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.
7. REPORT OF THE PRESIDENT
 - President Peterson stated he had an earlier conversation with one of his fellow Commissioners about the cancellation of the July 5th Commission meeting, and wanted to clarify for the public's benefit, that not only were he and Vice-President Breed going to be out of town, and more important than that, meetings should be held as long as there was a quorum of Commissioners, he was also informed by the Executive Director that there were very few items, if any, scheduled for July 5th. In addition, the three-day Fourth of July weekend along with summer vacation schedules, it was recommended that the July 5th Commission meeting be cancelled.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen stated she wanted to commend staff for their hard work with the residents of the 1700 block of Newcomb Avenue, which made her and the Commission very proud. The months of dedication and numerous meetings with the broader Bayview Hunters Point community, including the Bayview PAC as well as the homeowners, had resulted in tremendous support for the Model Block Program. Ms. Rosen stated she looked forward to the barbeque celebration next year when the Newcomb Avenue pilot block was scheduled to be completed.

- Community workshop to discuss a potential Community Benefit District in the Fillmore Jazz Preservation District and possibly the Japantown District, on Wednesday, June 29th from 4:00 to 5:30 p.m. at the Northern Police Station, 1125 Fillmore Street at Turk Street.
- The Agency had won a prestigious award from the American Planning Association, Northern California Chapter, for the Transbay Terminal Redevelopment Plan and Design for Development, as the outstanding planning in the category of comprehensive planning for a large jurisdiction. Ms. Rosen stated that following the Commission's approval (at the June 7th Commission meeting) of the requested changes to the Transbay Redevelopment Plan, it was submitted to the Board of Supervisors for consideration at its meeting earlier in the day (June 21st) and assumed the adoption by the Board of Supervisors.
- The PIDC Board meeting scheduled for June 28th had been cancelled. A PIDC meeting is scheduled for July.
- Topping-off celebration for the Plaza Apartments held on June 10th at 1:00 p.m. to celebrate the completion of the top level. Commissioners Peterson, Singh and Yee were in attendance.
- Board of Supervisors Budget and Finance Committee hearing on the Agency's fiscal year 2005/2006 proposed budget held on June 20th. Ms. Rosen stated the hearing went well and the Budget and Finance Committee was scheduled to hold a second hearing on the Agency's budget on June 27th between 2:00 and 6:00 p.m. Ms. Rosen stated the Budget Analyst's office had minor revisions to the Agency's budget, which staff largely agreed with. Ms. Rosen stated she would keep the Commission informed.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee requested an update of the 1600 Webster Street project.

Executive Director Rosen stated an informational memorandum had been provided to the Commission, responding to the Commission's motion (adopted at the June 7th Commission meeting), which urged the developer to extend the marketing period from 30 days to 90 days, urged the developer to meet with the Japantown Task Force and other community members, and also asked Agency staff to investigate and bring back a proposal for a small business loan program similar to the Fillmore District. Ms. Rosen stated the developer had scheduled and did meet with the Japantown Task Force and other community representatives on June 10th. The developer did not agree to extend the marketing period to 90 days, but did agree to have an exclusive period for 30 days, and then to continue to take applications as they came in from the community or others, after the 30 day period. Agency staff did communicate to the developer, the Japantown Task Force and the Western Addition CAC, about a draft new letter to go to the 362 business certificate of preference holders from the Western Addition. Staff obtained approval of the text, and it was sent out to all of the certificate owners informing them of the opportunity. Ms. Rosen stated for clarification, the developer was offering the space for either sale or lease. Ms. Rosen stated the Agency paid for advertisements in the local newspaper in Japantown and in the Fillmore, including the New Fillmore, the Sun Reporter, the Hokubei Mainichi and Nichi Bei Times. Ms. Rosen stated with regard to a tenant improvement or small business loan, staff examined the loan criteria for the lower Fillmore, and it would be possible to model a small business loan program based upon the same criteria and eligibility, except for a façade improvement because the 1600 Webster space was newly constructed. Ms. Rosen stated that using the lower Fillmore loan criteria already approved by the Commission, there would be a maximum loan of \$150,000. Staff had identified funds in the amount of \$150,000 that had been previously been reserved for the 1881 Bush (Kokoro) housing development that needed financial assistance, but staff had also identified funds in the housing budget to cover that, and would make available \$150,000 for the 1600 Webster space, should the Commission decide to make available the small business loan. Ms. Rosen stated that at the June 7th meeting, Commissioner Breed requested that the matter of the small business loan be reviewed by the Western Addition CAC, and the matter was scheduled to be discussed at the CAC's meeting tentatively scheduled for June 30th.

- Commissioner Yee stated the Commission would prefer receiving information in advance of the meeting because Commissioners would not have the time to read all the materials during the meeting.

Executive Director Rosen stated staff wanted the Commission to have the most up to date information and staff was waiting to see if there were any

more development between last Thursday evening and on the day of the Commission meeting that could be provided to the Commission. Ms. Rosen stated she was always available for Commissioners' questions during normal business hours of the week.

Executive Director Rosen informed the Commission that she just learned that Mrs. Mary Rogers was back in the hospital, and according to her son, she was diagnosed with pneumonia and was back at the Kaiser hospital. Ms. Rosen stated she spoke with Mrs. Rogers' son who asked that her mom be allowed to rest. Ms. Rosen stated she extended greetings and get-well wishes from the Commission and staff.

- Commissioner King stated he also spoke with Mrs. Rogers' son, so he was aware of her condition. Mr. King stated that Mrs. Rogers did attend the weekend celebration of the Juneteenth Festival even in her wheelchair. Mr. King stated the 2005 Juneteenth Festival was one of the best ever and wanted to thank Vice-President Breed for her active participation. Mr. King recalled that Commissioner Covington rode in the motorcade and thought the parade was just fantastic, with a great crowd and activities.
- Commissioner Singh stated he had the same concerns about 1600 Webster and asked if there was anything the Agency could do with the developer's refusal to extend the marketing period to 90 days.

Executive Director Rosen stated the OPA with the developer did not require it to make an offer, but was surprised that the developer did not take the invitation and urging of the Commission to extend the marketing period. The developer did assure the community members that they would continue to seek applications, and they would consider them exclusively from community-based small business during the first 30 days, and thereafter would take all offers. Ms. Rosen stated she hoped that a community-based business would apply within the first 30 days, but the Agency had no legal authority over the marketing of the space.

- Commissioner Singh asked if the developer would have to come before the Commission in the future.

Executive Director Rosen stated that any proposed lease for the space would have to be submitted to the Agency for review pursuant to the OPA and under the land use restrictions, so whatever proposed tenant for the space would have to be reviewed and could be brought back to the Commission.

- Commissioner Yee requested verification that the developer would have to abide by the land use restrictions in the OPA.

Executive Director Rosen stated the OPA prohibited franchise retailers or fast food stores in the commercial space, but in addition, the Agency would have the authority, pursuant the Western Addition A-2 Redevelopment Plan, to review the land uses consistent with the land use designation in the Redevelopment Plan.

- Commissioner Yee stated he was certain that the developer was aware of the land use restrictions. Mr. Yee asked if staff knew what the developer was leasing or selling the space for, or if they were asking for a minimum price.

Executive Director Rosen stated she was informed that the developer was stating that the market would determine the price, and staff was not aware if the developer was asking for a minimum price.

- President Peterson stated he believed that the Starbucks lease was around \$3.50 per square foot, so the developer would love to have that price. Mr. Peterson stated he gathered from the previous Commission meeting, the developer would probably take less than \$3.50 per square foot, but they were just looking for offers. Mr. Peterson stated the developer had chosen to go against the Commission's request to be more specific about what they would accept, so the best opportunity at this time would be some worthy business to come forward and make an offer.
- Commissioner Yee stated he understood, but he also knew that the leasing market was not very good at the present time, because he was having the same difficulty leasing property.

Executive Director Rosen stated that as everyone knew, in real estate, there would be many different variables like the location, and for retail, street frontage and access. Ms. Rosen stated she had heard, but not verified, that vacant retail spaces in the Japantown Mall were going within the range of \$3.20 to \$3.30 per square foot and in those cases, they were older spaces and had less street access. Ms. Rosen stated that a market for a particular neighborhood and a particular kind of property will vary and urged every one to hope that a community-based business would be interested in the space that the community would support.

- Commissioner Yee stated he was in the same business and he knew that the prices were not going up, but down. Mr. Yee stated he even had difficulty renting homes and had to reduce the rent.

Executive Director Rosen stated that with the interest of the Commission in furthering the marketing opportunity, she announced to the radio listening audience, that if there were any individuals interested in leasing or purchasing a 1,655 square foot ground floor retail space at 1600 Webster Street, they should contact Kazuko Morgan at Cushman and Wakefield, 773-3546.

- Commissioner Breed stated that since Commissioner King brought it up, she had a really good time at the Juneteenth Festival and that she rode in the motorcade with Commissioner Covington. Ms. Breed stated it was actually her first time riding in the parade and the celebration was great with a lot of kids and many schools participating, a lot of games, good food, a lot of fun and activities. Ms. Breed shared that the kids almost destroyed her when she was handing out free tickets to the children's rides, and stated she wanted to thank members of the community who participated and kept the celebration violent-free. Ms. Breed thanked her fellow Commissioners for their support, including President Peterson and Executive Director Rosen who called her previously as they were not able to attend. Ms. Breed stated she believed that next year's Juneteenth Festival would be even bigger and greater and looked forward to the celebration and appreciated everyone's support.
- Commissioner Covington stated that Juneteenth was a lot of fun and it was wonderful to see so many people participate. Ms. Covington stated she hoped for next year, there would be a way to keep the Farmers' Market open at the same time as Juneteenth was going on. Ms. Covington stated she would really like the Agency, as much as possible, to support the effort to keep the event a multi-cultural event and try to concentrate a little more on the drill teams that come from the Western Addition. Ms. Covington stated she recalled some allusions about complaints with the UPS Store coming into 1600 Webster, and asked if the Executive Director had received any direct communication from any one about the UPS Store locating at 1600 Webster.

Executive Director Rosen stated staff had not received any communication other than what was heard at the meeting. Ms. Rosen stated she wanted to remind the Commission that once an application for tenant improvement was submitted, the Agency would have the opportunity to review the application, as outlined in the information memorandum.

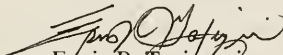
- Commissioner King jested with Commissioner Breed about handing out free tickets for the children's rides because he had spent so much for his granddaughter, who spent hours on the rides. Mr. King stated with regard to 1600 Webster, he thought the developer understood the community's sentiment and would extend the marketing period to 90 days, and hoped that the developer was listening to the meeting and would realize that he would still have to live with the community. Mr. King stated he was concerned with the earlier discussion about the lease price, and the community could end up being priced out of the retail space opportunity.
- Commissioner Yee stated he wanted to express his strong support for the Juneteenth Festival even though he was not able to attend, because of his conflicting schedule and had to attend Mayor Jerry Brown's wedding in Oakland. Mr. Yee stated he would try to attend next year's Juneteenth Festival.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:27 p.m.

Respectfully submitted,


Erwin R. Tanjiao
Agency Secretary

APPROVED:

July 19, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
19TH DAY OF JULY 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of July 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Ramon E. Romero
Darshan Singh

And the following were absent:

Leroy King
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE MAY 17TH AND JUNE 7TH COMMISSION MEETING

Items 3 (a) through 3 (g) are related to the Mid-Market Redevelopment Plan

- 3 (a) Adopting environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act

(CEQA) and State CEQA Guidelines in connection with the Mid-Market Redevelopment Plan and related documents and actions; Mid-Market Redevelopment Project Area (Resolution No. 82-2005)

- 3 (b) Approving the Report on the Redevelopment Plan for the Mid-Market Redevelopment Plan and authorizing transmittal of the Report on the Redevelopment Plan to the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 83-2005)
- 3 (c) Approving the proposed Redevelopment Plan for the Mid-Market Redevelopment Project Area and recommending its adoption by the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 84-2005)
- 3 (d) Approving rules governing participation by property owners and the extension of reasonable preferences to business occupants for the Mid-Market Redevelopment Project Area; Mid-Market Redevelopment Project Area (Resolution No. 85-2005)
- 3 (e) Authorizing the Mid-Market Delegation Agreement with the Planning Department of the City and County of San Francisco; Mid-Market Redevelopment Project Area (Resolution No. 86-2005)
- 3 (f) Recommending that the Board of Supervisors to adopt the Mid-Market Special Use District for the proposed Mid-Market Redevelopment Plan; Mid-Market Redevelopment Project Area (Resolution No. 87-2005)
- 3 (g) Commending the Mid-Market Project Area Committee; Mid-Market Redevelopment Project Area (Resolution No. 88-2005)

Executive Director Marcia Rosen stated she would recommend that the Commission continue the Mid-Market Redevelopment Plan items to the August 16, 2005 Commission meeting. Ms. Rosen informed the Commission that the Planning Commission did take action on the matters at its June 23rd meeting, however, because the Agency was not able to meet the statutory deadline for plan adoption to establish the base year for tax increment purposes for fiscal year 2004-2005, State law required the Agency to obtain the updated assessment figures for a 2005-2006 base year. Ms. Rosen stated staff was working closely with the Mayor's Office and the Assessor's Office to get the new figures in order to make the technical amendments to the proposed redevelopment plan. Ms. Rosen stated staff did not have a date certain yet and would probably re-notice the items, but at this time, staff would recommend that the Commission continue the items to its August 16th Commission meeting.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEMS 3 (a) THROUGH 3 (g) RELATING TO THE MID-MARKET REDEVELOPMENT PLAN, BE CONTINUED TO THE AUGUST 16, 2005 COMMISSION MEETING.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of June 21, 2005

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 21, 2005, BE ADOPTED.

REGULAR AGENDA

Items 4 (b) and 4 (c) were presented together and acted upon separately.

- 4 (b)** Resolution No.113-2005, Authorizing exclusive negotiations with BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation, for the development of low and moderate income first-time homeownership housing at 330 Berry Street and 335 Berry Street, also known as Block N4, Parcel 2 and Block N4a, Parcel 2; Mission Bay North Redevelopment Project Area
- 4 (c)** Resolution No. 114-2005, Authorizing a loan agreement not to exceed \$2,450,701 with BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation, for the predevelopment of up to 131 units of low and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street, also known as Block N4, Parcel 2 and Block N4a, Parcel 2; Mission Bay North Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Commissioner Singh asked if the Agency had a list of prospective buyers.

Mr. Jeff White, Development Specialist, stated that the first preference would go to the certificate of preference holders and the second preference would be for San Francisco residents. Mr. White stated the units would be marketed and a lottery would be conducted for the prospective buyers.

Commissioner Singh asked who would run the lottery for the units. Mr. Singh requested verification that all of the units would be for-sale low and moderate income first-time homeownership units.

Mr. White stated that Bridge Regional Partners and the Agency would oversee the lottery for the units.

Executive Director Rosen affirmed that all of the units would be for-sale low and moderate income first-time homeownership units.

Commissioner Singh put forth a motion to adopt item 4 (b).

Commissioner Covington asked for an explanation of the loan evaluation process that led up to the recommendation by the citywide loan committee.

Executive Director Rosen stated the Mayor appointed a citywide loan committee consisting of the Executive Directors from the Mayor's Office of Housing, Redevelopment Agency, Department of Human Services, and Department of Public Health. Ms. Rosen stated that when affordable housing funds were requested either through a notice of funding availability or for a public parcel such as 330 and 335 Berry Street where a developer had been selected and needed funds, first staff would underwrite the loan request and conduct what was called a "peer review," where senior staff from the Mayor's Office of Housing and the Agency's Housing Division would evaluate the loan request. Following the peer review, the loan request would be presented to the citywide loan committee for consideration and recommendation for funding. The loan committee would then recommend approval by the appropriate body; in the case of Agency projects, it would be the Agency Commission, and for other funding sources under the control of the City, it would often be the Mayor that would authorize the loan. Ms. Rosen stated at the early stage of development, the Agency was usually the only one looking at such loan applications, but as the project progressed through the predevelopment phase, the developer would be required to submit the permanent financing plan, which often called upon other funding sources, including private lending institutions and State and Federal funding.

Commissioner Covington thanked the Executive Director for the background information and asked if the recommendation of the loan committee needed to be unanimous.

Executive Director Rosen stated the loan committee's recommendation need not be unanimous, but if there were problems perceived or additional information was necessary, generally the loan committee would send the loan application back to staff for further review and then bring it back again

for consideration, and that tended to result in a lot of consensus being developed by the loan underwriters.

Commissioner Covington stated she asked the question because she noticed that Executive Director for the Mayor's Office of Housing did not check the "approved" box on the loan evaluation form.

Executive Director Rosen stated that was simply an oversight by Mr. Matthew Franklin, the Executive Director of the Mayor's Office of Housing. Ms. Rosen stated that Mr. Franklin chaired the loan committee meeting and the vote was unanimous for the 330/335 Berry Street project.

Commissioner Covington seconded Commissioner Singh's motion to adopt item 4 (b).

Commissioner Singh asked if Mr. Franklin was in attendance at the meeting.

Executive Director Rosen stated that Mr. Franklin, the Executive Director of the Mayor's Office of Housing was not in attendance, but Carol Galante of Bridge Housing was present.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO.113-2005, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH BRIDGE REGIONAL PARTNERS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF LOW AND MODERATE INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET, ALSO KNOWN AS BLOCK N4, PARCEL 2 AND BLOCK N4A, PARCEL 2; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 114-2005, AUTHORIZING A LOAN AGREEMENT NOT TO EXCEED \$2,450,701 WITH BRIDGE REGIONAL PARTNERS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PREDEVELOPMENT OF UP TO 131 UNITS OF LOW AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET, ALSO KNOWN AS BLOCK N4, PARCEL 2 AND BLOCK N4A, PARCEL 2; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Singh stated he would like the opportunity to tour these and other projects in Mission Bay.

Executive Director Rosen suggested that Commissioner Singh contact her office to schedule a tour of Mission Bay and other projects.

Items 4 (d) and 4 (e) were presented together and acted upon separately.

- 4 (d)** Resolution No. 115-2005, Authorizing a Second Amendment to an Exclusive Negotiations Agreement with Bridge Housing Corporation, a California nonprofit public benefit corporation, to negotiate a ground lease, to extend the term for 12 months, and to amend the schedule of performance, for the development of approximately 132 units of very low-income senior rental housing and 118 units of low-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program
- 4 (e)** Resolution No. 116-2005, Authorizing a Second Amendment to a Predevelopment Loan Agreement with Bridge Housing Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$600,000, for a total aggregate amount not to exceed \$3,132,990, for the development of approximately 132 units of very low-income senior rental housing and 118 units of low-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff)

Commissioner Singh stated he noticed that four items on the Agenda for two housing projects were both with Bridge Housing and asked why that was. Mr. Singh asked if the projects were competitively offered and stated the Agency should spread its development business around. Mr. Singh stated he thought that Bridge Housing was one of the best developers, but other developers should also have the opportunity to work on Agency projects.

Executive Director Rosen stated it was unusual to have two developments with the same developer before the Commission at the same time, but as was indicated on the staff reports and presentations, the 5600 Third Street project had a long history. Bridge Housing entered into a purchase contract for the property and later assigned it to the Agency. The length of time in getting to this stage was not Bridge's fault, but was due to the environmental review and the entitlements necessary for the former industrial site. The Agency has had predevelopment and exclusive negotiations agreements with Bridge for a number of years for the development of the parcel. Ms. Rosen stated that on the other hand, the Mission Bay parcel that the Commission just approved was an Agency-owned parcel that was part of the larger affordable housing development in Mission Bay. The Agency did a public offering for that parcel and Bridge was the only qualified developer

that submitted a complete response. Ms. Rosen stated it was very unusual of the 60 active housing developments to have the same developer for two of the projects heard at the same Commission meeting. It was purely coincidental and they were not related to each other. Ms. Rosen stated that the Agency did spread its development business around, and if desired, she could provide the Commission with a list of the active developments with the wide range of developers. Ms. Rosen stated the Commissioners could recall that at its last meeting, the Commission approved two other housing developments with other housing developers, and while it was unusual to have the same developers for two projects at one meeting, these were the only two Agency projects that Bridge was working on.

Commissioner Breed put forth a motion to adopt item 4 (d).

Commissioner Covington asked if there would be preference for existing Bayview residents for the proposed housing units.

Executive Director Rosen stated that generally, the preference would first go to certificate holders who had been displaced in the past by redevelopment actions, but the Agency would fine tune the preferences for the specific project.

Ms. Pam Sims, Development Specialist, stated that Bridge Housing in concert with a local non-profit organization would conduct the outreach and targeted marketing, which would ensure that residents who may be interested in the development would have the opportunity to pre-qualify by cleaning up credit issues. Ms. Sims stated that while the Agency could not set-aside units for a particular neighborhood according to fair housing laws, Bridge would be actively targeting their marketing to the community.

Commissioner Covington asked if Bridge would be responsible for the targeted marketing or would a third-party organization conduct the marketing and if so, had the organization been identified.

Ms. Sims stated that a third-party organization would conduct the targeted marketing, and the organization had not yet been identified because Bridge had not yet contracted with an organization.

Commissioner Covington stated she would like in the future to have a fuller picture of the extent of the outreach to certificate holders for the Agency's affordable housing developments. Ms. Covington stated she had previously requested the information, but would like to have the matter calendared at a future Commission meeting.

Executive Director Rosen stated staff could provide an informational memorandum to the Commission, and based on that, if additional discussion was desired, the matter could be calendared at a future Commission meeting.

Commissioner Covington thanked the Executive Director and seconded Commissioner Breed's motion to adopt item 4 (d).

Commissioner Romero stated he would certainly support the 5600 Third Street project and that in his seven years as a Commissioner, the Agency had done substantial work with Bridge, and he had been favorably impressed by their competence, stability and its ability to work with the community. Mr. Romero suggested that the new Commissioners take the opportunity to see other developments by Bridge, which had been very successful. Mr. Romero stated although it was unusual for Bridge to have two developments before the Commission, he had no hesitancy in supporting the projects.

Commissioner Singh asked if staff had the list of subcontractors for the proposed project, and stated he wanted to make sure that everyone had equal share in the contracting for the project.

Ms. Sims stated that the subcontractors had not yet been selected.

Executive Director Rosen stated that the Agency's Contract Compliance staff was working closely with the developer and the Agency's Equal Opportunity Program would be fully complied with.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 115-2005, AUTHORIZING A SECOND AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO NEGOTIATE A GROUND LEASE, TO EXTEND THE TERM FOR 12 MONTHS, AND TO AMEND THE SCHEDULE OF PERFORMANCE, FOR THE DEVELOPMENT OF APPROXIMATELY 132 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AND 118 UNITS OF LOW-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

President Peterson asked for the same call and vote for the adoption of item 4 (e).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 116-2005, AUTHORIZING A SECOND AMENDMENT TO A PREDEVELOPMENT LOAN AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$600,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,132,990, FOR THE DEVELOPMENT OF APPROXIMATELY 132 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AND 118 UNITS OF LOW-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Commissioner Singh stated he had not heard a motion and a second for item 4 (e)

President Peterson stated he had asked for the same call and vote and asked General Counsel if he had to formally seek a separate motion and second for each item, or could he asked for the same call and vote for the related item.

General Counsel stated he believed that the Commission and the President would have the ability to ask if there was the same call, which would include the same maker of the motion and the same second, and that way expedite the matter, but it was clearly the prerogative of the Commission whether to accept that expedited process. Mr. Morales stated that if the President asked, as he did for item 4 (e), for the same call and vote, then the matter could be moved right along.

- 4 (f) Resolution No. 117-2005, Authorizing a Personal Services Contract with Urban Strategies Council, a California nonprofit organization, in an amount not to exceed \$285,922, to provide technical assistance to the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area

Presenters: Gaynell Armstrong (Agency staff)

Ms. Gaynell Armstrong, Project Manager, introduced Mr. Junius Williams of Urban Strategies Council who introduced Mr. Andy Nelson and Rob Smith, also with Urban Strategies Council, and Ms. Melissa Ramos of Policy Link.

Commissioner Breed stated she recalled reading in the staff report that Urban Strategies Council was working on a collaborative effort with the National Economic Development and Law Center and the National Community Development Institute, and asked if that was still the case.

Ms. Armstrong stated that was true at the time of the RFP process, but was not certain if that was still the case.

Mr. Junius Williams of Urban Strategies Council, stated they had extended offers to both organizations to join them as consultants on the project as subcontractors, recognizing that the RFP required them to obtain approval from the CAC and the Agency Commission before arrangements could be made, but Urban Strategies had extended the offer to both organizations.

Commissioner Breed requested verification that the offers were made to both organizations with their partners or just the two organizations.

Mr. Williams stated that the offer was made to just the two organizations, the National Economic Development and Law Center and the National Community Development Institute.

Commissioner Breed stated that since the San Francisco Housing Development Corporation (SFHDC) was no longer a part of the project, asked what the plans were to replace the component that was to be performed by SFHDC.

Mr. Williams stated that Urban Strategies Council and its partner Policy Link, would undertake the scope of services originally intended for SFHDC. In addition, it was intended that part of the scope would be provided by the National Economic Development and Law Center with its stated expertise. Mr. Williams stated that Urban Strategies Council had quite a bit of expertise in house to perform the scope of services, in particular the development of the "road map" as called for in the RFP.

Commissioner Breed inquired about the selection process and asked how the submittals were reviewed and evaluated by the interview panel.

Ms. Armstrong stated that the consultants' proposals were reviewed and discussed, and members of the selection panel ranked the firms and their qualifications based upon the RFP's criteria.

Commissioner Singh put forth a motion to adopt item 4 (f). Commissioner Romero seconded the motion.

President Peterson asked how many people from Urban Strategies Council would be working full time on the project.

Mr. Williams stated they had allocated and estimated for the various tasks called for by the contract, about four full-time equivalent positions.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 117-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH URBAN STRATEGIES COUNCIL, A CALIFORNIA NONPROFIT ORGANIZATION, IN AN AMOUNT NOT TO EXCEED \$285,922, TO PROVIDE TECHNICAL ASSISTANCE TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Ace Washington

7. REPORT OF THE PRESIDENT

- President Peterson announced that Commissioner Covington would be joining him in serving on the board of the Public Initiatives Development Corporation (PIDC), a subsidiary of the Agency that was formed to oversee the development and construction of the Plaza Apartments and potentially other similar affordable housing developments in the future. Mr. Peterson stated he was excited that Commissioner Covington accepted his invitation to serve together on the PIDC Board of Directors and looked forward to working with her. Mr. Peterson informed that the next PIDC board meeting was scheduled to be held on Tuesday, July 26th at 5:00 p.m. at the Agency offices.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated that the PIDC meeting scheduled for the next Tuesday, July 26th was the regularly scheduled meeting of the PIDC board, usually held on the fourth Tuesday of each month. Ms. Rosen stated there had not been a board meeting since February 2005, but one was scheduled for the month of July, and the board could discuss changing the meeting time to accommodate the Commissioners' schedules.
- Executive Director Rosen stated she had good news that earlier in the day (July 19th), the Board of Supervisors unanimously approved the Agency's fiscal year 2005/2006 budget along with the City's budget.

Ms. Rosen stated she previously reported to the Commission that the Board of Supervisors' Budget Analyst made very limited recommendations for changes to the Agency's proposed budget and staff was able to agree with those recommendations. Staff would be reporting those recommended changes to the Agency's budget to the Commission in a Commission memorandum.

- The Board of Supervisors had on its July 19th Agenda, a resolution introduced by Supervisor Mirkarimi urging the Redevelopment Agency to look at three issues: (1) adoption of a public records policy modeled on the City's Sunshine Ordinance, (2) controlling certain land uses in the Western Addition with respect to off-site alcohol sales, and (3) a Western Addition limitation on formula-retail. Ms. Rosen stated she did not yet know if the resolution was passed by the Board of Supervisors, but if the resolution was approved, staff would provide additional information to the Commission, and those matters would be presented for the Commission's consideration. Ms. Rosen stated that the matter related to the Western Addition would of course be discussed and reviewed by the Western Addition CAC.
- Executive Director Rosen stated that as the Commission had heard from the Commission Secretary, Commissioner Leroy King had successful knee surgery the previous week. Ms. Rosen stated she spoke with Commissioner King earlier in the day and he was on the mend and recuperating at home. Ms. Rosen sent best wishes on behalf of the Commission and staff for a prompt recovery from his surgery.
- Executive Director Rosen reported that she had spoken with Mrs. Mary Rogers several times and she was also home from the hospital and doing a lot better.
- Informational memorandum regarding 1600 Webster Street: Ms. Rosen stated she was informed that the developer had scheduled to meet with representatives from the Japantown merchants and Japantown Task Force earlier in the day (July 19th). Ms. Rosen stated she had not yet heard about the outcome of the meeting, but would provide more information to the Commission when she did.
- Ms. Rosen stated she met with representatives of the Japantown community along with Project Manager Gaynell Armstrong and Deputy Executive Director Joanne Sakai on July 11th, where they had a good, productive and long meeting with the community to discuss ways of working more closely in the future. Ms. Rosen stated the meeting with the community was a positive step in nurturing the Agency relationship with the community.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh stated he did not know if flowers were sent on behalf of the Commission to Commissioner Leroy King, but if not, flowers should be sent.

Executive Director Rosen stated that staff did contribute towards a plant and cookies and delivered to Commissioner King while he was still in the hospital.

- President Peterson shared that he spoke with Commissioner King the day before and he had not heard Mr. King sound better and seemed in great spirits.
- Commissioner Covington stated she wanted to extend her good wishes to Commissioner King and hoped for a speedy recovery. Ms. Covington stated she seconded Commissioner Singh's suggestion that the Commission send a very nice floral arrangement to Mr. King.
- Commissioner Covington stated she wanted to suggest that the Commission have a retreat. Ms. Covington stated she understood that the new Commissioners were planning to attend California Redevelopment Association workshops in September and October, and suggested that the retreat be held in November. Ms. Covington stated she thought a retreat would be helpful for the Commission to review a number of things, including Robert's Rules of Order and expectations regarding decorum of Commissioners as well as members of the public. Ms. Covington stated she thought it would be a good idea to conduct a retreat and understood that at the previous Commission retreat, the Mayor was invited, which gave him a good opportunity to meet all of the Commissioners and share any vision he had for the Agency.
- Commissioner Singh stated his support for Commissioner Covington's proposal for a Commission retreat.
- President Peterson stated he agreed that it would be a terrific idea to have a retreat and suggested to meet with the Executive Director to calendar the retreat, sometime after the new Commissioners attend the redevelopment workshops.

Executive Director Rosen stated that Commissioner Covington had scheduled tours of project and survey areas, and reiterated the offer to all Commissioners that staff would be available to tour Commissioners. Ms. Rosen stated that if the proposal for a retreat went forward, it would be good to accomplish the tours prior to that so that questions about the Agency's implementation program could be discussed at the retreat. Ms. Rosen stated she would defer to the General Counsel, but believed that retreats would be considered public meetings under the Brown Act and an agenda would have to be noticed and sent to the public to provide opportunity for public comment. Ms. Rosen stated she would work with the President and Vice President in planning the retreat.

- Commissioner Breed asked if the retreat would have to be held at City Hall or some other place with public access.

Executive Director Rosen stated that the retreat would not have to be held at the Commission's regular meeting place in City Hall, because the retreat would be considered as a special meeting of the Commission, but public access would have to be taken into consideration in planning the venue.

- Commissioner Romero stated he was also in favor of the retreat and thought it was a good idea to do once in a while. Mr. Romero stated he recalled that the last Commission retreat was about six years ago and was held at the Treasure Island with a facilitator. Mr. Romero stated the retreat was a very positive experience.
- Commissioner Covington asked if members of the public showed-up at the last Commission retreat.
- Commissioner Romero stated that the last retreat was noticed, but no members of the public showed-up.

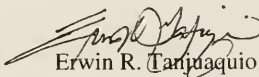
10. CLOSED SESSION

- (a) Pursuant to Government Code Section § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations with Mission Housing Development Corporation, a California nonprofit public benefit corporation, regarding Central Freeway Parcel C, Assessor's Block 768, Lot 13; Western Addition Redevelopment Project Area A-2. Agency negotiators: Marcia Rosen, Olson Lee, James B. Morales, Heidi Gewertz, Kate Hartley, and Tiffany Bohee.

11. ADJOURNMENT

It was moved by Mr. Romero, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,


Erwin R. Tanjaquio
Agency Secretary

APPROVED:

August 2, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
2ND DAY OF AUGUST 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of August 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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(Note: Commissioners Breed and Yee arrived a few minutes later.)

And the following were absent:

Leroy King

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of July 19, 2005
- 4 (b) Resolution No. 118-2005, Authorizing a Second Amendment to the Personal Services Contract with Keyser Marston Associates, Inc., a California corporation, to extend the term of the contract for six months and increase the contract by an amount not to exceed \$50,000 for a total aggregate amount of \$136,000; Mid-Market Redevelopment Survey Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED, MR. KING, AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JULY 19, 2005, AND 4 (b) RESOLUTION NO. 118-2005, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH KEYSER MARSTON ASSOCIATES, INC., A CALIFORNIA CORPORATION, TO EXTEND THE TERM OF THE CONTRACT FOR SIX MONTHS AND INCREASE THE CONTRACT BY AN AMOUNT NOT TO EXCEED \$50,000 FOR A TOTAL AGGREGATE AMOUNT OF \$136,000; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No.119-2005, Authorizing the issuance, sale and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$36,750,356 to assist Mission Bay Housing Partners, L.P., with the financing of the construction of affordable residential rental facilities known as Mission Bay Apartments at 420 Berry Street (also known as Block N5), and authorizing and approving related actions and authorizing the execution and delivery of related documents; Mission Bay North Redevelopment Project Area

Presenters: Pam Sims (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED, MR. KING, AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO.119-2005, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$36,750,356 TO ASSIST MISSION BAY HOUSING PARTNERS, L.P., WITH THE FINANCING OF THE CONSTRUCTION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS MISSION BAY APARTMENTS AT 420 BERRY STREET (ALSO KNOWN AS BLOCK N5), AND AUTHORIZING AND APPROVING RELATED ACTIONS AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (d) and 4 (e) were presented together and acted upon separately.

- 4 (d)** Resolution No. 120-2005, Authorizing an amended and restated Disposition and Development Agreement with The Contemporary Jewish Museum, a California nonprofit public benefit corporation, for Parcel CB-1-JSS; Yerba Buena Center Redevelopment Project Area
- 4 (e)** Resolution No. 121-2005. Conditionally approving an amended schematic design for The Contemporary Jewish Museum to be developed on Parcel CB-1-JSS; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Connie Wolf (CJM), Sam Nunes (architect)

Speakers: Ron Kaufman, Rev. Father John Balleza, Geol Weirs, Ronald Wornick, Paul Sedway, William Moreno, Ken Foster

Commissioner Covington stated she wanted first of all, to wish the Contemporary Jewish Museum “mazel tov!” Ms. Covington congratulated the Contemporary Jewish Museum on a wonderful design of the museum and for being very prudent in reducing the scale, mass, height and volume while maintaining the integrity of the design. Ms. Covington stated that the redesign really spoke to the museum’s forethought in wanting to maintain the institution as the years go by and not building so large that might result in funding difficulty in the future. Ms. Covington stated she was glad to see representatives from the Museum of the African Diaspora and Mexican Museum come in support of the proposed Contemporary Jewish Museum. Ms. Covington asked if the museums have had the opportunity to discuss collaborative efforts as the individual projects moved forward. Ms. Covington acknowledged affirmative nods from representatives of the three museums. Ms. Covington put forth a motion to adopt item 4 (d).

Commissioner Romero stated he was happy to second Commissioner Covington’s motion to adopt item 4 (d). Mr. Romero stated he wanted to congratulate everyone associated with the Contemporary Jewish Museum on the steady progress it continued to make and that it set a model for other projects.

Commissioner Breed requested the architect to show the slide which showed the view of the proposed museum entrance looking east from behind St. Patrick’s church. (Architect Sam Nunes obliged.) Ms. Breed asked how much space there was to view the beautifully designed museum entrance.

Architect Sam Nunes stated that the proposed museum entrance would be viewed from the pedestrian connector behind St. Patrick's church and was about 40 feet in width. Mr. Nunes stated there would be adequate space to view the museum entrance.

Commissioner Breed congratulated the Contemporary Jewish Museum for the wonderful design, and stated that as the Executive Director of the African-American Art and Culture Complex, which had community-based programming, she was really excited about the museum and looked forward to the completion of the project. Ms. Breed stated that youth from the Western Addition regularly visited the Yerba Buena Gardens for field trips, and looked forward to seeing the completed Contemporary Jewish Museum. Ms. Breed stated she wanted to encourage the museum to continue to work with local community-based art and culture programming and wished them the very best. Ms. Breed stated she thought the museum would be absolutely fabulous when completed.

President Peterson added his congratulations on the wonderful design and asked what color was the angular addition to the Jessie Street substation. (Architect Sam Nunes stated the addition would be the color blue). Mr. Peterson joked he really preferred the color black.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 120-2005, AUTHORIZING AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE CONTEMPORARY JEWISH MUSEUM, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR PARCEL CB-1-JSS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 121-2005, CONDITIONALLY APPROVING AN AMENDED SCHEMATIC DESIGN FOR THE CONTEMPORARY JEWISH MUSEUM TO BE DEVELOPED ON PARCEL CB-1-JSS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 122-2005, Authorizing a First Amendment to the Disposition and Development Agreement with Jessie Square Garage Partners LLC, a Delaware limited liability company, and CB-1 Museum Partners LLC, a Delaware limited liability company, to revise certain development requirements for the Jessie Square improvements to be constructed on Central Block One; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Covington stated she had a question about the retail corridor and recalled hearing that there had been some outreach done to minority business owners, particularly African-American business owners, sometime ago and somehow the current businesses in the retail corridor did not represent the City's diversity. Ms. Covington requested a response and background information.

Mr. Mark Farrar of Millennium Partners, stated that when they started the retail connector in 1998, they undertook with a local consultant a significant amount of outreach in the local community in preparing to start that project in conjunction with the completion of the Four Seasons hotel project. Shortly thereafter, there were the unfortunate events of September 11th that resulted in a significant slowdown of the economy and a lot of the retail tenants decided not to expand their businesses. Mr. Farrar stated that the economic climate at that time was not very good for everyone and they were just beginning to lease the retail connector again and were beginning to make contact with some of the old businesses they had done outreach with. Mr. Farrar stated they were also beginning to establish outreach to other businesses in San Francisco that would be representative of the diversity of the Bay Area.

Commissioner Covington asked how many retail spaces there were in the retail connector and if they had already been leased. Ms. Covington asked what the square footages of the retail spaces were.

Mr. Farrar stated there were eight (8) retail spaces and one of the spaces along Market Street, had been leased. Mr. Farrar stated that the retail spaces ranged between 1,000 and 4,000 square feet each, with a total of 24,000 square feet for the Yerba Buena Lane connector project.

Commissioner Covington stated she was happy to know that Millennium Partners was going to go back to the businesses who expressed interest some years ago to see if they were still interested.

Commissioner Singh stated it was a good project and put forth a motion to adopt item 4 (f).

Commissioner Yee seconded Commissioner Singh's motion and stated that the sooner the project was done, the better and urged Mr. Farrar to move forward expeditiously.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 122-2005, AUTHORIZING A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH JESSIE SQUARE GARAGE PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND CB-1 MUSEUM PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO REVISE CERTAIN DEVELOPMENT REQUIREMENTS FOR THE JESSIE SQUARE IMPROVEMENTS TO BE CONSTRUCTED ON CENTRAL BLOCK ONE; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Peterson stated that as a reminder to his fellow Commissioners as well as himself, requested Commissioners to arrive a little before 4:00 p.m. so that the Commission meeting could begin promptly at 4:00 p.m.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen thanked Commissioners Covington and Singh for joining the Mayor at the Plaza Apartments event earlier in the day. The mayor announced a grant from the Enterprise Foundation to San Francisco as the first city to get a grant for committing itself to green buildings for all affordable housing, which the Agency was doing for the Plaza Apartments project where the press conference was held. Ms. Rosen stated there was a good turnout and a lot of positive feedback on the Agency and City's affordable housing program.
- San Francisco Examiner article, "San Francisco soon to have Museum Row," which was probably stimulated by the Jewish Museum item on the Commission's agenda. Ms. Rosen stated that the Examiner has a new reporter, Ms. Emily Fancher who was covering the redevelopment beat among other things, and had invited her to give her an overall briefing on the Agency's portfolio and provided information on items to be considered by the Commission. Ms. Rosen stated the newspaper article was probably a result of the briefing provided to Ms. Fancher.

- Executive Director Rosen informed the Commission that she learned just before the start of the Commission meeting, that Commissioner Leroy King who had planned on attending the Commission meeting, needed an additional minor surgical procedure, which was scheduled for later that evening (August 2nd). Ms. Rosen stated she was certain that Commissioners would join her in wishing Commissioner King a speedy recovery and best wishes.
- Executive Director Rosen stated that in planning the agenda for the future with President Peterson and Vice-President Breed, there currently were no agenda items scheduled for the regular meeting of September 6th, which was the Tuesday after the Labor Day holiday. Ms. Rosen stated that she consulted with staff at the Deputy Directors' meeting the day before, to see if staff anticipated anything, and although there were items scheduled for the August 16th and September 20th meetings, staff did not currently contemplate scheduling items for September 6th. Ms. Rosen stated she would consult with the President and Vice-President, but wanted to give the Commission early notice of the meeting schedule in case they were planning an extended holiday weekend. Ms. Rosen stated the Commission would be informed as soon as the President and Vice-President made the decision.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh stated he wanted to wish Commissioner Leroy King a speedy recovery from his surgery.
- President Peterson stated everyone agreed with Commissioner Singh and echoed his sentiments, and wished Commissioner King best wishes. Mr. Peterson stated he looked forward to seeing Mr. King soon.
- Commissioner Covington stated she also wanted to send her best wishes to Commissioner King, and shared that Ms. Naomi Gray, a long-time community advocate from Western Addition, also had surgery on July 29th and wanted to send her best wishes as well.
- Commissioner Covington stated she wanted to thank the staff members she had been meeting with in the project and survey area tours she had attended. Ms. Covington stated she had visited the Plaza Apartments project in advance of the Mayor's press conference earlier in the day, and had a tour the week before of the Hunters Point Shipyard, Bayview Hunters Point Survey Area and the Transbay Redevelopment Project Area. Ms. Covington stated she wanted to thank Ms. Nicole Franklin, Ms. Gaynell Armstrong, Mr. Stan Muraoka, Mr. Mike Grisso, Ms. Erin Carson and Mr. Olson Lee for their time and giving her the opportunity to participate in their camaraderie, because each one of them were inspired in their work and got along very well.

- Commissioner Romero urged Commissioner King to get well soon and stated Mr. King was missed. Mr. Romero stated he supported the potential cancellation of the September 6th meeting if there were only few or no items scheduled. Mr. Romero stated he wanted to remind the new Commissioners that the Tuesday after three-day holiday weekends were very difficult not only for Commissioners, but for the staff as well to be prepared for a Commission meeting following an extended break. Mr. Romero stated that if the meeting was to be cancelled, the decision should be made sooner, rather than later to give everyone notice.
- President Peterson stated he believed everyone agreed and that a decision would be made soon.
- Commissioner Yee shared that he was scheduled to be out of town on September 6th and if there were no items scheduled, he would support the cancellation. Mr. Yee stated he had called Commissioner King earlier in the day but did not get a return call, and he understood once the Executive Director announced that Mr. King was going to have additional surgery. Mr. Yee stated he wanted to send Mr. King best wishes.
- Commissioner Yee stated he recalled reading the newspaper article about Starbucks Coffee not going forward with its lease in the Japantown community, and requested verification that was true.

Executive Director Rosen stated that the developer of 1600 Webster Street did inform the Agency as the Commission was also informed in informational memoranda at prior Commission meetings, that the Starbucks lease was no longer viable.

- Commissioner Yee stated that members of the Japantown community had told him that the Agency was spending time and money in advertising the space at 1600 Webster Street, and thought that staff should have informed the Commission that it was spending money on advertisements.

Executive Director Rosen stated that the Commission had been kept informed at every Commission meeting and through informational memoranda, that staff took the steps directed by the Commission pursuant to a motion adopted by the Commission that requested the developer to extend its exclusive marketing period for the retail space, and directed staff to meet with the Japantown community and to explore whether a small business loan program would be available for the 1600 Webster Street commercial site, and also directing staff to assist in getting the word out to local community businesses that would be interested in the space. At the Commission's direction, staff did a mailing to all business certificate holders in the Western Addition to inform them that the space was available for rent in case there was any confusion that the space was only available for sale, and staff did take ads out in the local press, the Sun Reporter and two of the widely distributed Japanese-American newspapers. Ms. Rosen stated

that staff also met with the Japantown Task Force and was able to get the developer to meet with the Task Force, and these were all steps taken by staff at the Commission's directions and suggestions, which were all communicated to the Commission with informational memoranda and at the reports of the Executive Director at the last three Commission meetings.

- Commissioner Yee stated that what the Executive Director described occurred at a later time, and what he was referring to were allegations by the community that staff had given its stamp of approval for the Starbucks lease without first informing the Commission.

Executive Director Rosen stated she wanted to refer to four informational memoranda on the subject, and as the Commission was informed, the Owner Participation Agreement (OPA), which the Commission authorized, specifically designated staff to review proposed leases. Agency staff acted in accordance with that OPA, and when the controversy arose regarding the proposed Starbucks lease, staff immediately brought the matter to the Commission's attention and scheduled a public hearing on the matter. Ms. Rosen stated she would be happy to provide additional information to the Commission.

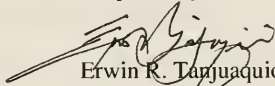
- Commissioner Yee stated that there may be some misperception or misunderstanding on the part of the Japantown community, but he would urge the staff to pay special attention to similar matters so as to avoid problems in the future.
- Commissioner Breed stated she also wanted to send best wishes to Commissioner King.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:11 p.m.

Respectfully submitted,


Erwin R. Tanguaquo
Agency Secretary

APPROVED:

August 16, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
16TH DAY OF AUGUST 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of August 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Darshan Singh
Benny Y. Yee

And the following were absent:

Leroy King
Ramon E. Romero

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE MAY 17TH, JUNE 7TH AND JULY 19TH COMMISSION MEETING

Items 3 (a) through 3 (g) are related to the Mid-Market Redevelopment Plan

- 3 (a)** Adopting environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act (CEQA) and State CEQA Guidelines in connection with the Mid-Market

Redevelopment Plan and related documents and actions; Mid-Market Redevelopment Project Area (Resolution No. 82-2005)

- 3 (b) Approving the Report on the Redevelopment Plan for the Mid-Market Redevelopment Plan and authorizing transmittal of the Report on the Redevelopment Plan to the Board of Supervisors; Mid-Market Redevelopment Project Area (Resolution No. 83-2005)
- 3 (c) Approving the proposed Redevelopment Plan for the Mid-Market Redevelopment Project Area and recommending its adoption by the Board of Supervisors; Mid- Market Redevelopment Project Area (Resolution No. 84-2005)
- 3 (d) Approving rules governing participation by property owners and the extension of reasonable preferences to business occupants for the Mid-Market Redevelopment Project Area; Mid-Market Redevelopment Project Area (Resolution No. 85-2005)
- 3 (e) Authorizing the Mid-Market Delegation Agreement with the Planning Department of the City and County of San Francisco; Mid-Market Redevelopment Project Area (Resolution No. 86-2005)
- 3 (f) Recommending that the Board of Supervisors to adopt the Mid-Market Special Use District for the proposed Mid-Market Redevelopment Plan; Mid-Market Redevelopment Project Area (Resolution No. 87-2005)
- 3 (g) Commending the Mid-Market Project Area Committee; Mid- Market Redevelopment Project Area (Resolution No. 88-2005)

Executive Director Marcia Rosen stated that as indicated on the Agenda, staff would recommend indefinite continuance of the items and would re notice the items when they are ready to be considered by the Commission. Ms. Rosen stated that staff anticipated the items to be before the Commission in the next few months.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING, MR. ROMERO AND MR. YEE ABSENT) THAT ITEMS 3 (a) THROUGH 3 (g) RELATING TO THE MID-MARKET REDEVELOPMENT PLAN, BE CONTINUED INDEFINITELY.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of August 2, 2005
- 4 (b) Resolution No. 123-2005, Authorizing a First Amendment to the Personal Services Contract with Kennedy-Tompkins Consultants, Inc., a California corporation, to extend the term of the contract on a month-to-month basis, not to exceed four months, for a monthly contract amount of \$14,580, for a total aggregate amount not to exceed \$583,212; Hunters Point Shipyard Redevelopment Project Area
- 4 (c) Resolution No. 124-2005, Authorizing a Second Amendment to the Personal Services Contract with Costless Maintenance Services Co., Inc., a California corporation, to extend the term through February 28, 2006 and to increase the monthly compensation to \$2,371 for an aggregate contract amount not to exceed \$67,000 for janitorial services at South Beach Harbor; Rincon Point-South Beach Redevelopment Project Area
- 4 (d) Resolution No. 125-2005, Authorizing an extension of time for a panel of real estate economics firms for a period of two years from October 15, 2005 to October 15, 2007 to provide ongoing consulting services; All Redevelopment Survey and Project Areas
- 4 (e) Resolution No. 126-2005, Authorizing a Second Amendment to the Memorandum of Understanding and to the Grant Agreement both with Bindlestiff Studio, a California nonprofit public benefit corporation, to extend the term from June 30, 2005 to December 31, 2005, to allow for additional predevelopment activities associated with a new community theater at the Plaza Apartments, 988-992 Howard Street; and authorizing a second amendment to the fiscal agent contract with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to extend the term from June 30, 2005 to December 31, 2005, to act as fiscal agent for Bindlestiff Studio; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (f) Resolution No. 127-2005, Authorizing payment of \$65,000 to the Human Rights Commission of the City and County of San Francisco for the Agency's share of the cost of the City-wide Surety Bond Program for the fiscal year of 2005-2006

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 2, 2005, 4 (b) RESOLUTION NO. 123-2005, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH KENNEDY-TOMPKINS CONSULTANTS, INC., A CALIFORNIA CORPORATION,

TO EXTEND THE TERM OF THE CONTRACT ON A MONTH-TO-MONTH BASIS, NOT TO EXCEED FOUR MONTHS, FOR A MONTHLY CONTRACT AMOUNT OF \$14,580, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$583,212; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, 4 (c) RESOLUTION NO. 124-2005, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH COSTLESS MAINTENANCE SERVICES CO., INC., A CALIFORNIA CORPORATION, TO EXTEND THE TERM THROUGH FEBRUARY 28, 2006 AND TO INCREASE THE MONTHLY COMPENSATION TO \$2,371 FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$67,000 FOR JANITORIAL SERVICES AT SOUTH BEACH HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, 4 (d) RESOLUTION NO. 125-2005, AUTHORIZING AN EXTENSION OF TIME FOR A PANEL OF REAL ESTATE ECONOMICS FIRMS FOR A PERIOD OF TWO YEARS FROM OCTOBER 15, 2005 TO OCTOBER 15, 2007 TO PROVIDE ONGOING CONSULTING SERVICES; ALL REDEVELOPMENT SURVEY AND PROJECT AREAS, 4 (e) RESOLUTION NO. 126-2005, AUTHORIZING A SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING AND TO THE GRANT AGREEMENT BOTH WITH BINDLESTIFF STUDIO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FROM JUNE 30, 2005 TO DECEMBER 31, 2005, TO ALLOW FOR ADDITIONAL PREDEVELOPMENT ACTIVITIES ASSOCIATED WITH A NEW COMMUNITY THEATER AT THE PLAZA APARTMENTS, 988-992 HOWARD STREET; AND AUTHORIZING A SECOND AMENDMENT TO THE FISCAL AGENT CONTRACT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FROM JUNE 30, 2005 TO DECEMBER 31, 2005, TO ACT AS FISCAL AGENT FOR BINDLESTIFF STUDIO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, AND 4 (f) RESOLUTION NO. 127-2005, AUTHORIZING PAYMENT OF \$65,000 TO THE HUMAN RIGHTS COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE AGENCY'S SHARE OF THE COST OF THE CITY-WIDE SURETY BOND PROGRAM FOR THE FISCAL YEAR OF 2005-2006, BE ADOPTED.

REGULAR AGENDA

- 4 (g) Resolution No.128-2005, Authorizing an agreement with BRE/Rincon, LLC to resolve issues related to the sale of condominiums at Rincon Towers, 88 Howard Street; Rincon Point-South Beach Redevelopment Project Area

Presenters: David Sobel (Agency staff)

Speakers: Richard Ochoa, Dave Osgood, David Nugent

Commissioner Singh asked how many units were available for sale or rent. Mr. Singh requested verification that there were no vacant units.

Mr. David Sobel, Senior Development Specialist, stated there were a total of 320 units in the two towers, 76 of which were designated as below market-rate units, and the remainder were market-rate units. Mr. Sobel stated that all of the units were rental units, but anticipated that the new owner would make the units available for sale. Mr. Sobel stated he believed that no more than two or three units were vacant.

Commissioner Singh put forth a motion to adopt item 4 (g).

Commissioner Yee seconded Commissioner Singh's motion, and stated that it was a rare occasion to not hear any opposition from the tenants, which was an indication of the outstanding job by Agency staff in particular, Mr. David Sobel. Mr. Yee stated that all three tenants who addressed the Commission lauded the Agency staff for their hard work and dedication. Mr. Yee stated that staff should be commended for their diligent work.

Commissioner Covington requested verification that the five percent down-payment assistance would come from the \$5 million fund, and asked how many of the below market-rate tenants had expressed interest in purchasing their units. Ms. Covington asked what kind of credit repair assistance would be available for tenants who may not qualify.

Mr. Sobel affirmed that the down-payment assistance would come from the \$5 million fund and stated that all 76 below market-rate units would be provided the down-payment assistance. Mr. Sobel stated that staff estimated that the down-payment assistance would range from a low of \$6,000 to a high of \$15,000. Mr. Sobel stated that although staff had not taken a formal survey of the below market-rate tenants, the responses had all been very positive when staff presented the terms of the proposal being considered by the Commission. Mr. Sobel stated that staff anticipated that most, if not all of the tenants, would be able to purchase their unit with the down-payment assistance and Agency second deeds of trust. Mr. Sobel stated that the credit issue had been discussed at length and that was why staff had advocated for as long a time as possible for the closing of an individual unit to provide sufficient time, up to six months, to contract with a non-profit organization like Mission Economic Development Corporation, San Francisco Housing and Development Corporation, and the Consumer Credit Counseling to provide assistance to the tenants.

Commissioner Covington asked if the Agency would purchase the units that would not be purchased by the existing tenants. Ms. Covington requested verification that the 76 units would remain affordable in perpetuity.

Mr. Sobel stated that if there were units not purchased by the existing tenants, and the tenants move pursuant to relocation assistance within the six months after notification, the Agency would require the project sponsor to market the units through a lottery process with public meetings, newspaper advertisements, mailing lists and posting on the Agency's website. Mr. Sobel affirmed that the units would remain affordable in perpetuity.

President Peterson stated he was in support of the proposal and that it was a great opportunity to purchase homes in the City that were close to work and public transit. Mr. Peterson asked if there was a lock-in period of time for the developer to set the sales price of the units, and if the Agency would purchase the units not purchased by the existing tenants.

Executive Director Marcia Rosen stated that the 76 below market-rate units would be set at different affordable price levels dependent upon the income level and unit size. The sales price would be a formula price, and it was not up to the owner to set the sales price. The Agency would help set the sales price to make the units affordable to the targeted income level as part of the Agency's limited-equity homeownership program.

Commissioner Yee asked for clarification of the number of units available for sale.

Mr. Sobel stated that currently, there were no units available for sale as the development was presently a rental housing development. Mr. Sobel stated that the existing owner, is intending to sell the property to a new owner, and that the new owner, would undoubtedly want to sell the individual units as condominiums. At that time, the units, including the below market-rate units, would be available for purchase.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (g) RESOLUTION NO.128-2005, AUTHORIZING AN AGREEMENT WITH BRE/RINCON, LLC TO RESOLVE ISSUES RELATED TO THE SALE OF CONDOMINIUMS AT RINCON TOWERS, 88 HOWARD STREET; RINCON POINT– SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 129-2005, Authorizing the execution of a sublease agreement and related documents with the City and County of San Francisco for a portion of the fifth floor at One South Van Ness Avenue

Executive Director Rosen informed the Commission that the Board of Supervisors did approve the lease of One South Van Ness Avenue at its meeting earlier in the afternoon.

Presenters: Tracie Reynolds (Agency staff)

Commissioner Singh asked how much was the rent at the current Agency offices at 770 Golden Gate Avenue, and how many parking spaces there were. Mr. Singh asked if there would be parking available for Commissioners at the new office building.

Ms. Tracie Reynolds, Development Services Manager, stated that the Agency paid \$58.00 per square foot, which amounted to \$1.4 million a year. Ms. Reynolds stated there were 20 parking spaces at 770 Golden Gate Avenue.

Executive Director Rosen stated that as part of the Agency's lease, there would be between seven and 10 parking spaces allotted to the Agency. There is adjacent parking with available hourly and monthly parking for employees and visitors. Ms. Rosen stated that parking would be made available to Commissioners when visiting the office.

Commissioner Singh stated it was good that the Agency would be paying less rent at the new office building. Mr. Singh put forth a motion to adopt item 4 (h).

Commissioner Breed asked if the tenant improvements would be done prior to the office move. Ms. Breed asked when the expected move-in date was.

Ms. Reynolds stated that the tenant improvements would be done prior to the Agency's move to the new office building. Ms. Reynolds stated that the office move was scheduled for February 1, 2006.

Commissioner Breed seconded Commissioner Singh's motion to adopt item 4 (h).

Commissioner Yee asked that since the current lease would expire at the end of September 2005 and the Agency was not moving to the new office space until February 2006, what arrangements had been made in the meantime.

Ms. Reynolds stated that the Agency's lease had a holdover provision, which would provide a month-to-month rent at a holdover rent of \$78.00 per square foot until the Agency vacated the office building.

President Peterson stated that this was good for the City and its taxpayers because of the savings in rent, instead of paying market rent elsewhere or purchasing a building. Mr. Peterson stated the proposed sublease was a better business decision for the Agency because a purchased building may become inflexible for the Agency's needs in the future. Mr. Peterson stated that the new office building was an efficient building because it had good floor plate footprint that could accommodate up to 63,000 square feet in one floor. Mr. Peterson stated he thought it was interesting that the Agency was sharing the office space with the Mayor's Office of Housing and Mayor's Office of Community Development, but he was still unclear about the shared spaces in the new office building.

Executive Director Rosen stated that staff would be happy to show the Commission the floor plan layout, and explained that the current office space was in a small building where the Agency was the only tenant, and the usable and rentable space were the same. The new office space had a main lobby, an escalator, a bank of elevators, as well as a security guard on duty 24 hours, seven days a week. Ms. Rosen stated that the Agency would be paying for common area spaces, plus shared conference rooms with the other City tenants. Ms. Rosen stated that the combination of usable space with the common area spaces makes the square footage larger, but there would not be additional work stations beyond what the Agency currently has.

Commissioner Yee stated he recalled many years ago, that he was the one who suggested that the Agency look into purchasing its own building and everyone on the Commission at that time agreed with him, and staff was directed to look into developing or purchasing an office building, but nothing happened. Mr. Yee stated he was aware that the One South Van Ness building had a market value of \$75 million, but because of the economic climate, the previous owner sold the building for \$40 million. Mr. Yee stated that the City should exercise its option to purchase as soon as it was financially feasible.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 129-2005, AUTHORIZING THE EXECUTION OF A SUBLEASE AGREEMENT AND RELATED DOCUMENTS WITH THE CITY AND COUNTY OF SAN FRANCISCO FOR A PORTION OF THE FIFTH FLOOR AT ONE SOUTH VAN NESS AVENUE, BE ADOPTED.

- 4 (i) Resolution No. 130-2005, Authorizing the issuance, sale and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$17,000,000 to assist the Ceatrice Polite L.P., a California limited partnership, with the acquisition and rehabilitation of residential facilities at 321 Clementina Street, San Francisco; authorizing certain officers to enter into bond documents with respect to such bonds, approving official statements and approving and authorizing actions and documents relating thereto; Yerba Buena Center Redevelopment Project Area

Presenters: Sally Oerth (Agency staff)

Commissioner Singh asked what the interest rate was for the tax-exempt bonds as well as the term of the bonds. Mr. Singh asked if the bonds could be purchased by anyone.

Ms. Sally Oerth, Senior Development Specialist, stated that the tax-exempt bonds were at 5.2% with a 40-year term. Ms. Oerth stated that the tax-exempt bonds would be available to the general public and the taxable bonds would be privately placed.

President Peterson stated the issuance seemed fine and believed that he understood the proposed transaction, but because of the complexity of the deal, maybe the general public did not fully understand, and asked the Executive Director to distill the complex transaction.

Executive Director Rosen stated that the bond issuances would not be based upon the Agency's credit and the Agency was a conduit issuer of the bonds. Ms. Rosen deferred to Mr. Olson Lee for a further explanation.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that the Agency, as the bond issuer, would provide a mechanism to develop affordable housing and recapitalize the physical improvements of the development and extend the affordability of the housing units. The subject development, Ceatrice Polite, as well as others in the City, were financed with Federal FHA-insured mortgages (Sections 221 and 236), which had 20-year terms and were at risk of going market-rate. The original developer, TODCO, would sell the building to its limited partner so that it could take advantage of the low-income housing tax credits (four percent tax credits), which would become available for use of up to 51% of the total project costs. In order to take advantage of the tax-credits, the building must be sold by TODCO to its affiliate, which had to be structured as a for-profit organization. The previous owner was strictly a non-profit organization funded under the prior Department of Housing and Urban Development 202 contract. The transaction would pay off the old Section 202 loan using some of the bond proceeds. Mr. Lee stated that the rehabilitated

development would also have a credit enhancement because it would FHA-insured and the rental assistance component would continue.

President Peterson thanked Mr. Lee for the explanation and asked what the benefits and risks were.

Mr. Lee stated that the benefits included lower interest rates, access to low-income housing tax credits, and the recapitalization or improvement of the building. Mr. Lee stated that the risk to the Agency was its reputation, because it was issuing the bonds, and while the Agency was not guaranteeing the loans, bonds or the project, its reputation of developing affordable housing was at risk. That was why staff spent a lot of time evaluating the bond issuances to make sure that they meet prudent underwriting requirements. Mr. Lee stated the other bigger risk was the loss of the affordable units should the bond transactions fail, which staff did not believe would occur. Mr. Lee added that there would be no financial risk to the Agency, and staff believed that the bonds would facilitate the recapitalization of the project.

Executive Director Rosen added that the acquisition and rehabilitation would extend the affordability of the units to 75 years.

Commissioner Singh asked how old the building was and if it did not have accessibility when it was originally built. Mr. Singh requested verification that rehabilitation costs was around \$100,000 per unit. Mr. Singh asked how many bonds had been issued by the Agency and for how much.

Executive Director Rosen stated that the building was originally built in 1983 and the proposed rehabilitation would enhance the accessibility for the elderly residents.

Ms. Oerth stated the actual rehabilitation costs was \$49,000 per unit as there were other capital costs to the building.

Mr. Lee stated that this would be the third multifamily housing revenue bond this year and the total issuance was about \$750 million.

Commissioner Covington put forth a motion to adopt item 4 (i).

Commissioner Breed inquired about the Section 8 program for the development and asked if that would be maintained.

Ms. Oerth stated that the Section 8 would expire in four years and would be renewed at that time. Ms. Oerth stated that should the Section 8 not be renewed, there were transition reserves available to maintain the rental subsidies, but the goal was to maintain the Section 8 contract.

Executive Director Rosen added that the project was a project-based Section 8, so the subsidy would go to the building and not to the individual tenant, and would be an income stream for the development.

Commissioner Breed seconded Commissioner Covington's motion to adopt item 4 (i).

Commissioner Yee asked if staff knew the original construction cost in 1983. Mr. Yee asked if staff considered the 5.2% interest rate on the tax-exempt bonds high in today's market.

Ms. Oerth stated staff did not have the original construction cost, but would be happy to find out and forward it to the Commission. Ms. Oerth deferred the question on the interest rate to Mr. Nick Hamilton, the Agency's bond underwriter.

Mr. Nick Hamilton of Red Capital Markets, stated the transaction had been processed assuming a 5.2% interest rate. Mr. Hamilton stated they had about 30 or 35 basis points, or .35% of cushion, to account for increases that may occur between now and when the bonds would be priced, and if they were to price the bonds today, they would hope for the interest rate to be around 4.85 or 4.9%. Mr. Hamilton added that they would not price long-term bonds until there was a commitment from HUD and the California Debt Limit Advisory Committee (CDLAC).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 130-2005, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,000,000 TO ASSIST THE CEATRICE POLITE L.P., A CALIFORNIA LIMITED PARTNERSHIP, WITH THE ACQUISITION AND REHABILITATION OF RESIDENTIAL FACILITIES AT 321 CLEMENTINA STREET, SAN FRANCISCO; AUTHORIZING CERTAIN OFFICERS TO ENTER INTO BOND DOCUMENTS WITH RESPECT TO SUCH BONDS, APPROVING OFFICIAL STATEMENTS AND APPROVING AND AUTHORIZING ACTIONS AND DOCUMENTS RELATING THERETO; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Resolution No. 131-2005, Authorizing a Personal Services Contract with MJM Management Group, Inc., a California corporation, and San Francisco Clean City Coalition, a nonprofit public benefit corporation, for steam cleaning and related services for the Sixth Street corridor; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Speakers: M. C. Canlas, Bernadette Sy, Antoinetta Stadlman III

Commissioner Covington requested verification that three of the ten MJM Management Group employees were Sixth Street residents and assigned to work in the South of Market.

Ms. Cathy Pickering, Assistant Project Manager, affirmed that three of the ten employees were Sixth Street residents, but they were not specifically assigned to work in South of Market.

Commissioner Covington put forth a motion to adopt item 4 (j).

Commissioner Breed asked how the steam cleaning and related services for Sixth Street were coordinated with the Department of Public Works (DPW).

Ms. Cathy Pickering stated there was definite coordination with the DPW and because the DPW continued to have limited resources, the proposed contract would help bridge the gap in related services. Ms. Pickering added that in conversations with the DPW, she was informed that the services that could be provided to the Sixth Street corridor were very limited.

Commissioner Breed seconded Commissioner Covington's motion to adopt item 4 (j).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 131-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, INC., A CALIFORNIA CORPORATION, AND SAN FRANCISCO CLEAN CITY COALITION, A NONPROFIT PUBLIC BENEFIT CORPORATION, FOR STEAM CLEANING AND RELATED SERVICES FOR THE SIXTH STREET CORRIDOR; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 132-2005, Authorizing a Designation Agreement with the City and County of San Francisco for the purpose of administering a BEGIN grant from the State of California in an amount not to exceed \$540,000 to provide down payment assistance for 18 low and moderate-income first-time homebuyers at 4800 Third Street, Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Vanessa Dandridge (Agency staff)

Commissioner Covington stated there were 18 low-income first time homebuyers for 4800 Third Street, which would be designated to receive down-payment assistance of \$30,000 each, and asked what would happen if people do not need the whole \$30,000.

Ms. Vanessa Dandridge, Development Specialist, stated that the purchase prices were structured based upon the BEGIN grant for down-payment assistance. Ms. Dandridge explained that nine of the units were designated for households at 85% of area median income and the other nine for households at 95% of area median income. With the BEGIN grant, households at 75% and 85% of area median income would qualify to purchase the units. Ms. Dandridge stated that without the down-payment assistance from the BEGIN grant, the Agency would have to put in additional subsidies or price the units at the higher area median income levels. Ms. Dandridge stated the purchasers would have only one mortgage and the down-payment assistance would become due at time of sale or transfer of the unit.

Commissioner Covington asked who would be reimbursed for the down-payment assistance.

Ms. Dandridge stated that the BEGIN funds would be granted to the Mayor's Office of Housing and administered by the Agency, so at the time of sale or transfer, the down-payment assistance would be reimbursed to the Agency.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 132-2005, AUTHORIZING A DESIGNATION AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO FOR THE PURPOSE OF ADMINISTERING A BEGIN GRANT FROM THE STATE OF CALIFORNIA IN AN AMOUNT NOT TO EXCEED \$540,000 TO PROVIDE DOWN PAYMENT ASSISTANCE FOR 18 LOW AND MODERATE-INCOME FIRST-TIME HOMEBUYERS AT 4800 THIRD STREET, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (l) Resolution No. 133-2005, Authorizing a Settlement Agreement and Release of Claims in the lawsuit entitled South Beach SOMA Coalition v. City and County of San Francisco, et al., (San Francisco Superior Court, Case No. 504-366, Notice of Entry of Judgment filed June 21, 2005); Transbay Redevelopment Area

Presenters: James B. Morales (Agency staff)

Commissioner Yee asked if the settlement agreement was approved by the Agency Commission, would the Agency have any payment obligations.

Mr. James B. Morales, Agency General Counsel, stated that the City represented the Agency in the litigation as co-respondents, and the Agency had not incurred any costs to date.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (l) RESOLUTION NO. 133-2005, AUTHORIZING A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS IN THE LAWSUIT ENTITLED SOUTH BEACH SOMA COALITION V. CITY AND COUNTY OF SAN FRANCISCO, ET AL., (SAN FRANCISCO SUPERIOR COURT, CASE NO. 504-366, NOTICE OF ENTRY OF JUDGMENT FILED JUNE 21, 2005); TRANSBAY REDEVELOPMENT AREA, BE ADOPTED.

Items 4 (m) and 4 (n) were presented together and acted upon separately.

- 4 (m)** Resolution No. 134-2005, Authorizing an amended and restated Agency Housing Policy to clarify the Agency's intent to use 50% of total tax increment funds for low and moderate income housing and expressing the intent to incorporate this housing policy in all future redevelopment plans; Citywide Tax Increment Housing Program
- 4 (n)** Resolution No. 135-2005, Authorizing an amended and restated Administrative Guidelines to update the administrative procedures concerning the use of tax increment housing funds; Citywide Tax Increment Housing Program

Presenters: Olson Lee (Agency staff)

Speakers: Don Falk, Amy Beinart, Calvin Welch

ADOPTION: IT WAS MOVED BY MR. PETERSON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 134-2005, AUTHORIZING AN AMENDED AND RESTATED AGENCY HOUSING POLICY TO CLARIFY THE AGENCY'S INTENT TO USE 50% OF TOTAL TAX INCREMENT FUNDS FOR LOW AND MODERATE INCOME HOUSING AND EXPRESSING THE INTENT TO INCORPORATE THIS HOUSING POLICY IN ALL FUTURE REDEVELOPMENT PLANS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PETERSON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. ROMERO ABSENT) THAT ITEM 4 (n) RESOLUTION NO. 135-2005, AUTHORIZING AN AMENDED AND RESTATED ADMINISTRATIVE GUIDELINES TO UPDATE THE ADMINISTRATIVE PROCEDURES CONCERNING THE USE OF TAX INCREMENT HOUSING FUNDS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Peterson announced that the next regularly scheduled Commission meeting on September 6th had been cancelled. The next Commission meeting would be held on September 20th.
- President Peterson announced that the August 23rd PIDC Board meeting had been cancelled.
- President Peterson stated he wanted to send greetings and best wishes to Commissioner Leroy King and hoped to see him at the September 20th Commission meeting.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen shared that she spoke with Commissioner Leroy King before the meeting, and hoped that with the hiatus until the September 20th Commission meeting, it would give him time to fully recover and join in the Commission meeting.

- Hunters Point Shipyard: Ms. Rosen stated that as the Commission was aware, the infrastructure development on Parcel A was about to commence, following the transfer from the Navy to the Agency and conveyance to Lennar. The U.S. Navy was doing phased remediation on the remaining parcels, beginning with Parcel B. Ms. Rosen stated the Agency had supported, as part of the redevelopment of the Shipyard, the continuation of uses by artists at the Shipyard, which were located on Parcels A, B and D. The artists in Parcel B, as part of the Navy's clean-

up, would have to undergo a temporary dislocation from their studios for a period of about three weeks to one month. Ms. Rosen stated that the clean-up for Parcel D was likely to be more complicated and might lead to the permanent relocation of the artists on Parcel D. The Navy was scheduled to send a notice to the Agency and the artists this week. Agency staff had been working very hard with the Navy, the Mayor's Office and Congresswoman Nancy Pelosi's office and met with many of the artists at an informational meeting the night before (August 15th) to develop the plans for both the temporary relocation of artists on Parcel B and looking towards a longer term solution for the artists on Parcel D. Ms. Rosen stated staff hoped for a solution that would be acceptable to everyone with everyone working in good faith, but because the notices would be going to the community during the week, she wanted to alert the Commission as they may receive calls or inquiries. Ms. Rosen stated she would keep the Commission informed as the relocation plans were developed.

- Ms. Rosen stated staff anticipated the financing from both private and Agency sources to close by Labor Day on the long-awaited development of Parcel 732-A. Ms. Rosen stated staff was waiting to hear from the developer for the ground-breaking ceremony and the Commission would be informed.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington asked when the temporary move of the artists in the Shipyard was scheduled to take place because she was concerned that the annual open studios event held in October would be disrupted.

Executive Director Rosen stated that the move was scheduled to occur in February 2006 and would not disrupt this year's open studio events.

- Commissioner Covington stated she wanted to follow up on her request for an overview presentation on the Central Freeway parcels since the Executive Director provided an informational memorandum regarding a Request for Proposals for Parcel Q.

Executive Director Rosen stated she would schedule a meeting with Commissioner Covington. Ms. Rosen stated that Parcel G, which was within the Western Addition A-2 Project Area, was under discussion with the CAC's Planning and Development Committee as well as the full CAC. Ms. Rosen stated that only Parcels G and Q, which was the subject of the informational memorandum, were the only active Central Freeway parcels under current consideration for development. Ms. Rosen stated that Parcel Q (which was outside the Western Addition A-2 Project Area) was the only parcel sized appropriately for the HUD program that supports people with

disabilities, called the HUD 811 program, which only finances developments with a limited number of units, and that was the only parcel designated for the special needs disabled housing. Ms. Rosen stated staff believed that the parcel was ready for developer selection, and the other parcels would come to the Commission as development plans were developed. Ms. Rosen stated staff could schedule a Commission workshop for a more in-depth presentation of the Central Freeway parcels.

- Commissioner Covington requested verification that the reason that the target population was identified for Parcel Q was because it met some Federal guideline for funding.

Executive Director Rosen stated the Commission would recall, that in planning the housing opportunities for the parcels conveyed by the City to the Agency, the Agency was obliged by the agreement with the City, to look at the overall housing needs of the City and to consult with the Mayor's Office of Housing, in order to meet a variety of housing needs. In looking at each of the parcels, staff looked at the size, the financial feasibility of development, what resources in addition to Agency resources, would be available so that the Agency could leverage its subsidies with other forms of financing, what other kind of other housing developments were in the City's planning pipeline between the Agency's portfolio and the Mayor's Office of Housing, and where there were gaps in balancing the overall portfolio. Ms. Rosen stated that in looking at these factors, Parcel Q was the one best suited to meet the needs of people with disabilities, which had a limited amount of funding from the Federal government, and there currently was not a proposed development either in the Agency's or City's portfolio, that would serve the disabled population. Ms. Rosen stated that the location, size of the parcel and feasibility seemed to meet that need the best.

- Commissioner Covington asked if staff had looked at other parcels that may be coming under the Agency's purview, because her concern was that corner was a very busy corner with six lanes of traffic on Octavia Boulevard and four lanes on Oak Street. Ms. Covington stated she would assume that the disabled residents would not be very comfortable in a very busy street corner, and she would prefer that people residing in Agency sponsored housing developments were comfortable and secure.

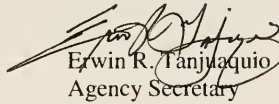
Executive Director Rosen stated she was sure if staff had looked at the traffic issues, but in most development in urban areas, noise reduction or mitigation measures would be incorporated to insure the comfort of the residents.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Singh, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:13 p.m.

Respectfully submitted,


Erwin R. Tanjunaquio
Agency Secretary

APPROVED:

September 20, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
20TH DAY OF SEPTEMBER 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of September 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh

And the following were absent:

Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of August 16, 2005

- 4 (b) Resolution No. 136-2005, Authorizing a Fourth Amendment to the Personal Services Contract with EIP Associates, a California corporation, to extend the term of the contract to June 30, 2006; Bayview Hunters Point Redevelopment Survey Area; Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Project Areas
- 4 (c) Resolution No. 137-2005, Authorizing a Second Amendment to the Agency agreement with the Treasure Island Development Authority, a public body, corporate and politic, for the provision of Agency staff services to the Treasure Island Development Authority, on a month-to-month basis for a term not to exceed six months and authorizing other actions properly relating thereto
- 4 (d) Resolution No. 138-2005, Authorizing a First Amendment to the Personal Services Contract between the Agency and MJM Management Group., a California corporation, and Ella Hill Hutch Community Center, a California nonprofit corporation, as a joint venture, to extend the contract term on a month-to-month basis for a maximum of six months and to increase the maximum contract amount by \$93,600 for a total aggregate amount not to exceed \$498,766; Western Addition Approved Redevelopment Project Area A-2
- 4 (e) Resolution No. 139-2005, Authorizing a Fourth Amendment to the Rental Subsidy Agreement with the Housing Authority of the City and County of San Francisco, to extend the contract term through December 31, 2005 and to increase compensation by an amount not to exceed \$812,500, for a total aggregate amount not to exceed \$4,875,000, to provide rental assistance for the third year of a three year contract; Housing Opportunities for Persons With AIDS Program
- 4 (f) Resolution No. 140-2005, Authorizing a Second Amendment to the Housing Opportunities for Persons With AIDS ("HOPWA") Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, to extend the contract term through December 31, 2005 and to increase the compensation by an amount not to exceed \$65,000, for a total aggregate amount not to exceed \$390,000, for July 1, 2004 to December 31, 2005, to provide supportive services related to the HOPWA Rental Subsidy Program; Housing Opportunities for Persons With AIDS Program

**Consent Agenda item 4 (c) was withdraw from the Consent Agenda.
The Commission voted on Consent Agenda items 4 (a), (b), (d), (e) and (f).**

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 16, 2005 (MR. ROMERO ABSTAINED), 4 (b) RESOLUTION NO. 136-2005, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A CALIFORNIA CORPORATION, TO EXTEND THE TERM OF THE CONTRACT TO JUNE 30, 2006; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; HUNTERS POINT, INDIA BASIN INDUSTRIAL PARK AND BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREAS, 4 (d) RESOLUTION NO. 138-2005, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT BETWEEN THE AGENCY AND MJM MANAGEMENT GROUP., A CALIFORNIA CORPORATION, AND ELLA HILL HUTCH COMMUNITY CENTER, A CALIFORNIA NONPROFIT CORPORATION, AS A JOINT VENTURE, TO EXTEND THE CONTRACT TERM ON A MONTH-TO-MONTH BASIS FOR A MAXIMUM OF SIX MONTHS AND TO INCREASE THE MAXIMUM CONTRACT AMOUNT BY \$93,600 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$498,766; WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, 4 (e) RESOLUTION NO. 139-2005, AUTHORIZING A FOURTH AMENDMENT TO THE RENTAL SUBSIDY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, TO EXTEND THE CONTRACT TERM THROUGH DECEMBER 31, 2005 AND TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$812,500, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,875,000, TO PROVIDE RENTAL ASSISTANCE FOR THE THIRD YEAR OF A THREE YEAR CONTRACT; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, AND 4 (f) RESOLUTION NO. 140-2005, AUTHORIZING A SECOND AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS ("HOPWA") SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT TERM THROUGH DECEMBER 31, 2005 AND TO INCREASE THE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$65,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$390,000, FOR JULY 1, 2004 TO DECEMBER 31, 2005, TO PROVIDE SUPPORTIVE SERVICES RELATED TO THE HOPWA RENTAL SUBSIDY PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

The Commission considered item 4 (c) as a separate item.

- 4 (c)** Resolution No. 137-2005, Authorizing a Second Amendment to the Agency agreement with the Treasure Island Development Authority, a public body, corporate and politic, for the provision of Agency staff services to the Treasure Island Development Authority, on a month-to-month basis for a term not to exceed six months and authorizing other actions properly relating thereto

Presenters: Marcia Rosen (Agency staff)

Speakers: Tony Hall (TIDA)

Commissioner Singh asked if the Treasure Island Development Authority (TIDA) employees were on the Agency's payroll. Mr. Singh asked what revenue the TIDA had for its operations. Mr. Singh requested verification that the TIDA was self-sufficient. Mr. Singh asked what the income was from the leases of the facilities in Treasure Island.

Executive Director Rosen stated that the TIDA employees had been on the Agency's payroll since July 2004 pursuant to the agreement the Commission and TIDA first authorized, in June 2004. Ms. Rosen stated that TIDA had revenue from leases of its facilities and under the agreement, TIDA fully compensated the Agency for all the costs, both the salaries and benefits involved and the cost of implementing the agreement, and there was no cost to the Agency. Ms. Rosen stated that the TIDA's revenue covers their expenditures. Ms. Rosen stated that she could provide the Commission with a copy of the TIDA's budget, but reiterated that the lease revenue from the facilities did cover the operational costs.

Commissioner Covington referred to the hand-out that Mr. Tony Hall distributed to the Commission, and asked if the attached document titled "Transition of TIDA as Employer of Record" was authored by Mr. Hall.

Mr. Tony Hall, Executive Director of TIDA, stated the attachment was actually his talking points from the last TIDA meeting and wanted to submit them to the Commission for its information.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, THAT ITEM 4 (c) RESOLUTION NO. 137-2005, AUTHORIZING A SECOND AMENDMENT TO THE AGENCY AGREEMENT WITH THE TREASURE ISLAND DEVELOPMENT AUTHORITY, A PUBLIC BODY, CORPORATE AND POLITIC, FOR THE PROVISION OF AGENCY STAFF SERVICES TO THE TREASURE ISLAND DEVELOPMENT AUTHORITY, ON A MONTH-TO-MONTH BASIS FOR A TERM NOT TO EXCEED SIX MONTHS

AND AUTHORIZING OTHER ACTIONS PROPERLY RELATING THERETO, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh

AND THE FOLLOWING WERE ABSENT:

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 137-2005 WAS ADOPTED.

REGULAR AGENDA

- 4 (g) Resolution No.141-2005, Authorizing execution of personal services contracts with consulting firms listed on a panel for redevelopment plan adoptions and amendment services for a three-year period for a total aggregate amount not to exceed \$450,000 on an as-needed basis and subject to the availability of funds; all redevelopment project areas and survey areas

Presenters: Alicia Bert (Agency staff)

Speakers: Charles Spencer, Mary Rogers, Ace Washington, Randall Evans

President Peterson asked the Executive Director to address the comments by Mr. Charles Spencer and Mrs. Mary Rogers regarding the lack of information provided and the relevance of the proposed personal services contracts to the Western Addition.

Executive Director Rosen stated that pursuant to the Agency's Purchasing Policy, when the Agency procured services or entered into contracts, it either entered into individual contracts or it qualified and established a panel

or a group of qualified experts, which mean that the commission would establish a list of firms that had responded to a Request for Qualifications (RFQ) or Request for Proposals (RFP) and had met the criteria in the RFQ or RFP, and would be available to meet the Agency's consulting needs as they arose, in the field in which they qualified. Ms. Rosen stated she believed that one of the questions raised by Mrs. Rogers was how long the panel would stay in place. The reason the matter was before the Commission was that the Agency's panel of firms with such technical expertise that had previously been in place for three years had expired sometime in the past. Ms. Rosen stated that pursuant to the Agency's Purchasing Policy, the Agency would not enter into any individual contract for services unless there was a solicitation on an individual basis for a particular project or there was another panel selected through a competitive RFP or RFQ process that was authorized by the Commission. Ms. Rosen stated this was the way the Agency had done business for many years when it needed technical consultants and the same way the City procured such services. Ms. Rosen stated that as the individual need for those services came up, staff would determine which firm was best qualified and fairly share the work among the qualified firms on the panel. Ms. Rosen stated that the RFQ for the subject plan adoption consultant panel was sent to the Commission through an informational memorandum, with the RFQ attached, prior to the publication of the RFQ.

President Peterson asked when the informational memorandum was sent to the Commission.

Executive Director Rosen stated the RFQ was published on August 3rd and that the RFQ was published pursuant to the Agency's Purchasing Policy and was widely distributed and advertised.

Ms. Alicia Bert, Assistant Development Specialist, stated she believed that the informational memorandum was provided to the Commission on August 2, 2005.

Executive Director Rosen stated staff followed the Agency's procedures and policies in the issuance of the RFQ, and matter before the Commission would authorize the firms to undertake the technical services at the time the Agency needed them and would not guarantee any firm a particular contract. Ms. Rosen added that the qualifications sought were fairly technical in nature, and was reflected by only three responses to the RFQ, because there were a limited number of firms that did redevelopment plan adoption consulting.

President Peterson asked who the third consulting firm was and where they were from.

Ms. Bert stated that the firm of 3-D Visions, which specialized in blight analysis, was the third firm that responded, but it did not have the full range of redevelopment plan adoption services. Ms. Bert stated that 3-D Visions was a San Francisco firm.

Commissioner King stated this was the reason why it was important for the Commission to conduct a retreat to review the Agency's policies, because the matter before the Commission reflected the old Commission policy. Mr. King stated the retreat would provide an opportunity for the Commission especially the new Commissioners, to review all of the Agency's policies and programs. Mr. King stated he had no doubt that the firms were well-qualified, but the proposed panel as well as other Agency policies should be reviewed at a Commission retreat. Mr. King stated that what the Commission was being asked to adopt was the same policies from the past, and the Commission had to review such policies and procedures. Mr. King asked when the retreat was scheduled.

President Peterson stated that he did not believe that the matter before the Commission was a matter of policy, but the reality of the Agency's need to procure the technical services. Mr. Peterson stated that he along with the Executive Director and the Commission Secretary, had been working on scheduling the retreat, and the plan was to schedule the retreat sometime in November.

Commissioner Romero asked what the Agency's total budget was.

Executive Director Rosen stated that the Agency's total budget was approximately \$215 million.

Commissioner Romero stated that the matter before the Commission was not for a specific project and was simply a logistical way the Agency's contracted for needed technical services, which had a potential cost of \$450,000, which the Executive Director stated there was no guarantee that the money would be spent. Mr. Romero stated he was a little perplexed with the controversy, because the Commission had previously approved other panels for specialized services. Mr. Romero stated this was recognition even with a large staff, that sometimes, the Agency had a great deal of work that staff could not perform because of other pressing priorities, and necessitated the hiring of outside consultant firms, and sometimes specialized technical work. Mr. Romero stated that the Executive Director simply wanted the resources available to staff to contract the work out to qualified consulting firms, should the need arise. Mr. Romero stated he recalled times when certain projects like Mid-Market, were delayed because staff did not have the resources to have the necessary work done. Mr. Romero stated he believed this was a practical matter that

would assist the Agency in procuring necessary services in an efficient and timely manner, and the potential contract amount of \$450,000 for a three-year period did not seem to be a lot of money compared to the Agency's total budget of \$215 million. Mr. Romero stated his support for the item because it was necessary and the Commission had previously approved other panels, and put forth a motion to adopt item 4 (g). Mr. Romero stated he was in favor of holding a retreat because it would give an opportunity to discuss how the Commissioners dealt with each other and how decisions would be made. Mr. Romero stated there was no specific project before the Commission in any specific redevelopment project area, and this would be money that could be spent in any project or survey area. Mr. Romero stated that if the Commission felt that this was a matter that needed the review of Project Area Committees (PAC) and Citizens' Advisory Committees (CAC), then the Commission could consider that, but it seemed like that would add another layer of bureaucracy to the process and the Agency had not done that before for these type of consultant panels. Mr. Romero stated that if it was for a specific project area, then he would agree that the matter be reviewed by the affected PAC or CAC and brought before the Commission's consideration.

Commissioner Covington stated she had suggested the retreat a couple of months ago and that everyone had agreed to hold the retreat sometime in November, and that the disagreement on the plan adoption panel really underscored the need for the Commission to have a detailed agenda for the retreat, because there were a number of things the Commission needed to go over. Ms. Covington stated that in terms of Agency policy, the matter before the Commission may be a routine and practical matter, but it highlighted some of the deficiencies perceived that existed in the Agency's system, and that was specifically the bypassing of citizens who volunteer their time, energy and creativity to give the Agency feedback on its activities. Ms. Covington stated that while she knew that the panel was not for a specific contract for the Western Addition, the Agency at some point, would have to grapple with the suspicion, anxiety and frustration that was coming from the Western Addition community. Ms. Covington stated the Commission could recall the debacle of the Starbucks issue and now, there was the same CAC president and the same merchants' association president addressing the Commission. Ms. Covington stated she thought that at some point, the Agency must figure out how it could develop trust in the Western Addition community, because it appeared to her that the Agency had totally lost the community's trust.

Commissioner Breed requested verification that the firm not recommended for the panel specialized in blight analysis.

Ms. Bert affirmed that 3-D Visions did specialize in blight analysis.

Commissioner Breed asked if 3-D Visions could have been added to the proposed panel for its blight analysis expertise.

Ms. Bert stated that 3-D Visions felt, by their own admission, that the full range of redevelopment planning was outside of their scope, but could of course joint-venture or be solicited to provide services on their stated expertise.

Commissioner Breed stated she understood that the firm of Seifel Consulting was a woman-owned business, and asked if they had a large number of minority and women employees.

Ms. Bert stated that she did not have the workforce breakdown for the consulting firms and would defer to the Contract Compliance staff.

Executive Director Rosen stated that each of the consulting firms proposed for the panel were reviewed by the Agency's Contract Compliance staff for conformity with the Agency's Equal Opportunity Program and did review and approve both of their compliance with all of the Agency's policies.

Commissioner Breed stated she recalled seeing that the only survey area mentioned in the staff report was Visitacion Valley, and asked what other areas were contemplated for the proposed panel.

Executive Director Rosen stated that as the Commission would recall, the Board of Supervisors designated the Visitacion Valley as a survey area and asked the Agency to work with the Planning Department on the planning activities. Ms. Rosen stated that the proposed panel would be for three years to anticipate future work in existing project areas and any newly designated survey areas, and the Agency may have additional work if there were amendments to existing redevelopment plans, and at that time, staff would like to have the technical consultants on board to undertake the planning activities. Ms. Rosen stated that as an example, there had been discussions with the Mid-Market PAC about possibly merging the Bloomingdale's sub area of the Yerba Buena Center Redevelopment Project Area with the Mid-Market Project Area following adoption of a redevelopment plan, and although this idea had not been analyzed or even decided, this would be the kind of work task that a consultant would assist the Agency in undertaking.

Commissioner Breed stated she agreed with Commissioner Covington that there was a lost of trust and the Agency needed to begin to try and work on rebuilding the trust. Ms. Breed stated she was very familiar with the way the consulting process worked primarily because of her experience working at Treasure Island and what it entailed. Ms. Breed stated she would support and second the motion to adopt the item because the proposed panel was not for a specific project area and the Agency needed to move forward with the

ability to have qualified consultants that could do the work. Ms. Breed stated she would have concerns if there was a proposed contract specifically for the Western Addition, without it going to the CAC and being reviewed by the CAC. Ms. Breed stated she supported the CAC and she wanted them to be treated with respect and acknowledged and worked with appropriately and be provided with information on a timely manner. Ms. Breed reiterated that she was seconding Commissioner Romero's motion to adopt item 4 (g) and urged her fellow Commissioners to support the item.

Commissioner Singh stated he agreed with Commissioners Covington and Breed's comments and also agreed with Commissioner King that the Commission should revisit Agency policies. Mr. Singh stated that the two firms proposed for the panel were reputable firms and that he supported the item.

President Peterson stated he echoed the sentiments of Commissioners Breed and Covington to study how the Agency could communicate on a timely and straightforward manner with the Western Addition CAC on matters that came before the Commission. Mr. Peterson stated that the community's sense that things were being rushed or being done under the table was not a healthy perception of the Agency and urged the Executive Director to look into circulating proposed RFQs or RFPs to the CACs even for informational purposes, because he would rather that the community had more information than not.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSTAINED AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO.141-2005, AUTHORIZING EXECUTION OF PERSONAL SERVICES CONTRACTS WITH CONSULTING FIRMS LISTED ON A PANEL FOR REDEVELOPMENT PLAN ADOPTIONS AND AMENDMENT SERVICES FOR A THREE-YEAR PERIOD FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$450,000 ON AN AS-NEEDED BASIS AND SUBJECT TO THE AVAILABILITY OF FUNDS; ALL REDEVELOPMENT PROJECT AREAS AND SURVEY AREAS, BE ADOPTED.

- 4 (h) Resolution No. 142-2005, Authorizing a tax increment loan agreement with the Alder Hotel, LLC, a California limited liability company, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Program, for rehabilitation activities at the Alder Hotel located at 169 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Commissioner Singh put forth a motion to adopt item 4 (h). Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 142-2005, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH THE ALDER HOTEL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR AN AMOUNT NOT TO EXCEED \$100,000, PURSUANT TO THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION PROGRAM, FOR REHABILITATION ACTIVITIES AT THE ALDER HOTEL LOCATED AT 169 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Covington stated she recalled that the owner of the Alder Hotel as well as a representative from the Department of Human Services were acknowledged earlier, and asked staff to introduce them again.

Mr. Jeff White, Development Specialist, obliged and introduced Mr. Vjay Patel, the owner of the Alder Hotel, and Ms. Shelagh Little from the Department of Human Services.

President Peterson stated that staff always did an excellent job in their presentations and urged them to make it a practice to introduce the people involved in the projects they were presenting.

Items 4 (i), (j) and (k) were presented together and acted upon separately.

- 4 (i) Resolution No. 143-2005, Authorizing the allocation of \$387,000 in additional funding to provide loans for façade improvement, tenant improvement, and business assistance projects in a total aggregate amount not to exceed \$1,137,000 as part of the Sixth on Sixth Economic Revitalization Program; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (j) Resolution No. 144-2005, Authorizing a Third Amendment to the Business Development Letter Agreement with the Mayor's Office of Community Development to increase the maximum amount payable by \$190,000 for design assistance as part of the Six on Sixth Economic Revitalization Program through the reallocation of existing program funds, for an aggregate amount not to exceed \$2,698,820; South of Market Earthquake Recovery Redevelopment Project Area

- 4 (k) Resolution No. 145-2005, Authorizing changes in the participation and loan criteria for loans to businesses and property owners available through the Six on Sixth Economic Revitalization Program; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Antoinetta Stadlman III, Jenny McNulty

Commissioner Breed asked if there were any plans for continued maintenance of the improvements. Ms. Breed asked if there were examples of non-profit organizations that could benefit from the revitalization program.

Mr. Mike Grisso, Project Manager, stated that for the sidewalks, the Agency had a street-cleaning program that would continue for as long as the project area continued. The scope of the work included cleaning of the sidewalks, graffiti removal and maintenance of newly installed street trees. Mr. Grisso stated the Agency would continue to fund the street-cleaning and graffiti removal services, but maintenance of private buildings would be the responsibility of the property owners. Mr. Grisso stated that as Ms. Jenny McNulty stated earlier, once the buildings were cleaned up and the grime was removed to reveal some very attractive architecture, property owners would take pride in keeping their buildings cleaned, and this was all part of the Agency's efforts to develop a sustainable program in South of Market that keeps a lot of the responsibility on the property owners, so that the Agency would not be doing everything for them. The revitalization program was a matching grant where the property owner would have to invest his or her own money for the improvements of the building. Mr. Grisso stated that one good example would be Crossroads, which was a food kitchen and youth outreach facility located on Sixth Street between Mission and Howard Streets. They had been running a successful charity, but like most non-profits, they do not invest a lot of money in the physical appearance of the building. Mr. Grisso stated that Northeast Credit Union was planning to move to Sixth Street that staff hoped would benefit from the program. There was also a needle exchange facility at Sixth and Mission Streets, the City Team Ministry also on Sixth Street and the Bayanihan House, the site of the former Delta Hotel.

Executive Director Rosen stated staff could provide the Commission with a complete list of the non-profits within the South of Market Project Area.

Commissioner Breed put forth a motion to adopt item 4 (i). Commissioner Singh seconded the motion.

Commissioner Covington asked if the non-profit organizations owned their buildings.

Mr. Grisso stated that as far as he knew, all of the non-profit organizations were tenants. Mr. Grisso stated that in order to protect against evictions, the Agency required, as part of the program, that the group had at least three years remaining on their lease or had an option to renew their lease, in order to participate in the revitalization program.

Commissioner Covington asked if a non-profit organization participated in the program, would the whole façade of the building be improved, and if so, should the property owner also be involved.

Mr. Grisso stated that if a non-profit organization was participating, it would only involve that portion of the façade, which in all cases, would be the ground floor.

Commissioner Covington asked if there had been any discussions with property owners that house non-profit organizations on the ground floors, as to why the property owners would not also participate in the program, so that the whole façade would be improved.

Mr. Grisso stated that staff hoped that the whole façade would be taken cared of, but there were property owners along Sixth Street, including owners of the particular buildings, who had not chosen to participate in the program. Mr. Grisso stated that the non-profits could participate as businesses or as retail tenants, but because of the challenges in their funding, they had not opted to participate either, but the proposed changes in the program's loan criteria, would make it easier for the non-profits to participate.

Commissioner Covington asked staff to provide an example of the process a non-profit organization would go through as part of the revitalization program, including proposed improvements, costs and anticipated visible transformation of the property.

Mr. Grisso stated that for the façade improvements, the limit would be \$9,500, and using the Crossroads facility as an example, the loan would enable them to replace the wooden sign, clean and repair the badly-damaged walls, and possibly install new windows, which would be critical for retail spaces to provide transparency from the street. Mr. Grisso stated that although the amount of the loan was modest, it would also be beyond the capability of most of the non-profit organizations. Mr. Grisso stated that the anticipated results would include new signage, new windows and new ground floor improvements on the spaces that have non-profits.

President Peterson asked if the program had a mechanism to tie property owners who would take advantage of the up-front design assistance to use the design assistance to do actual work on the property.

Mr. Grisso stated that the program required a \$500 deposit from the property owners before they could access the design assistance, and if they do not follow through with the program, the deposit would not be refunded.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 143-2005, AUTHORIZING THE ALLOCATION OF \$387,000 IN ADDITIONAL FUNDING TO PROVIDE LOANS FOR FAÇADE IMPROVEMENT, TENANT IMPROVEMENT, AND BUSINESS ASSISTANCE PROJECTS IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,137,000 AS PART OF THE SIXTH ON SIXTH ECONOMIC REVITALIZATION PROGRAM; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 144-2005, AUTHORIZING A THIRD AMENDMENT TO THE BUSINESS DEVELOPMENT LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$190,000 FOR DESIGN ASSISTANCE AS PART OF THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM THROUGH THE REALLOCATION OF EXISTING PROGRAM FUNDS, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$2,698,820; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 145-2005, AUTHORIZING CHANGES IN THE PARTICIPATION AND LOAN CRITERIA FOR LOANS TO BUSINESSES AND PROPERTY OWNERS AVAILABLE THROUGH THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (l) Resolution No. 146-2005, Authorization to negotiate a Personal Services Contract with McCoy's Patrol Service, a California corporation, to provide security services at the Hunters Point Shipyard for a term of three years, beginning on October 1, 2005 and ending on September 30, 2008, for a total aggregate amount not to exceed \$975,000 (which amount shall be paid with non-Agency funds), subject to the appropriation of funds by the United States Department of the Navy; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Doug Bloch, Dorris M. Vincent, Oscar James

Commissioner Breed asked who the previous contractor was at the Shipyard. Ms. Breed asked how many full-time employees McCoy's Patrol Service had and if they had full benefits. Ms. Breed asked what the hourly salaries were.

Ms. Nicole Franklin, Project Manager, stated that the previous contractor was McCoy's Patrol Service.

Ms. Jacqueline Coleman of McCoy's Patrol Service, stated that 60 of the 70 employees were permanent full-time employees, with full health benefits. Ms. Coleman stated that their employees were paid \$10.77 an hour.

Commissioner Breed put forth a motion to adopt item 4 (l).

Commissioner King seconded Commissioner Breed's motion to adopt item 4 (l) and stated he recalled the controversy over the security services contract for the Shipyard that occurred about one year ago, when a firm from San Mateo tried to get the contract and the Commission voted to award them the contract except him. Mr. King stated he was happy that McCoy's was being awarded the contract because the other firm did not want to hire from the local community. Mr. King congratulated McCoy's Patrol Service and thanked staff for working with McCoy's.

Commissioner Covington stated she was happy to see a multi-generational African-American family-owned business from the Bayview doing important work at the Shipyard.

Commissioner Breed stated she would urge McCoy's to take into consideration the cost of living in San Francisco, in terms of salary increases. Ms. Breed stated she was persuaded because the employees were being provided health benefits, which were very costly, but realistically, \$10.77 an hour to live on in San Francisco on a full-time job was not realistic. Ms. Breed stated that she knew that McCoy's understood, coming

from the Bayview community, the cost of living in San Francisco, and urged them to take into consideration the high cost of living and working in San Francisco for its employees.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 146-2005, AUTHORIZATION TO NEGOTIATE A PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, TO PROVIDE SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD FOR A TERM OF THREE YEARS, BEGINNING ON OCTOBER 1, 2005 AND ENDING ON SEPTEMBER 30, 2008, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$975,000 (WHICH AMOUNT SHALL BE PAID WITH NON-AGENCY FUNDS), SUBJECT TO THE APPROPRIATION OF FUNDS BY THE UNITED STATES DEPARTMENT OF THE NAVY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (m) Workshop on Mission Bay North and South Redevelopment Areas; Mission Bay North and South Redevelopment Project Areas

Presenters: Amy Neches (Agency staff)

President Peterson thanked Ms. Amy Neches for her presentation and stated that he and Commissioner Breed had the opportunity to join Ms. Neches at a tour of Mission Bay a few weeks ago, and commended her for her enthusiasm and congratulated her on the great progress of Mission Bay.

Commissioner Romero thanked Ms. Neches for her always excellent presentation. Mr. Romero stated he was certain that Ms. Neches was familiar with some of the areas that border the Mission Bay Project Area, and inquired about the lot that was being used for the SBC Ballpark, and asked when that lot was slated to be developed.

Ms. Amy Neches, Senior Project Manager, stated she believed that Commissioner Romero was speaking about Lot B, which was the portion that the Giants lots located west of Third Street. Those lots were done under rolling leases with Catellus and those leases for the most part, would end after the end of the 2006 baseball season. Ms. Neches stated that the residential properties would not go into development all at once, and it is anticipated that there may be some adjustments in some short-term continuations. Lot A, on the east side of Third Street, was leased to the Giants until the 2009 baseball season, and the Giants were now looking at other long-term parking options.

Commissioner Romero stated he thought there was a hotel considered for that area, and was curious if that was still part of the master plan for Mission Bay.

Ms. Neches stated that Commissioner Romero was correct. Ms. Neches referred to the illustrative map and pointed to a lavender-colored, triangular parcel located near Mission Creek, between Third and Fourth Street, just north of the residential area. Ms. Neches stated that parcel was designated for a 500-room hotel, and Farallon had been in discussions with a number of hotel developers. Because the hotel market was getting better, there was increasing interest, but the market was not quite yet ready.

Commissioner Romero asked when the Third Street Light Rail was scheduled to be completed.

Ms. Neches stated that staff's best information from MUNI, was that the Third Street Light Rail was scheduled to start running in mid-2006. Ms. Neches added that the Fourth Street Bridge, which was a difficult construction project, had been completed, and the bridge is back in operation, and staff understood that the bridge would be open to both the public and motor vehicles in January 2006, and that MUNI expected to start operations up and down the Third Street Light Rail system by the middle of 2006.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Charlie Walker, Mary Rogers, Carmen Johnson, Larry Del Carlo, Jack Gardner, Richard Devine, Michael Juarez, Ronald Batiste, Ace Washington

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Parcel 732-A escrow closing, with construction to begin in the next week. Groundbreaking scheduled for Tuesday, October 11th, from 11:00 a.m. to 1:00 p.m. Invitations would be sent to the Commission.

- Leland Polk Senior Community dedication ceremony on Friday, October 7th, at 1315 Polk Street.
- PIDC Board meeting for September 27th had been cancelled.
- Public meetings on September 20th and September 22nd, starting at 6:30 p.m. at the Delancey Street Foundation to discuss the marketing of the affordable condominium units at the Beacon project in Mission Bay. Additional information would also be available from Agency staff, Mr. David Sobel at 749-2560, as well as on the Agency website: www.sfraaffordablehousing.org, with a click on the for-sale housing link. The Agency's certificate holders would also be notified of that opportunity.
- Update on the Agency's participation in the hurricane Katrina relief efforts to provide assistance to evacuees from the gulf state region who had come to San Francisco: Mayor Newsom had asked Mr. Matt Franklin, the Executive Director of the Mayor's Office of Housing to take the lead in planning for those evacuees who wanted to permanently relocate to San Francisco, and the Agency had also participated in the evaluation of families first at the Red Cross Center, and now that the Red Cross Center at St. Mary's had closed, assistance was being provided at the Ella Hill Hutch Community Center in the Western Addition. The Agency had participated in interviewing the individuals and families who had come for assistance to help assess their housing needs, and the Agency was planning with the Mayor's Office and the Housing Authority a full range of housing options once there was better clarity on which families chose to stay in San Francisco and those who chose to go to other Bay Area communities.
- Introduced Oriana Mendez, this year's National Urban Fellow. The Agency participated in the National Urban Fellow Program, a graduate program in the field of public administration, sponsored by City University of New York at Baruch College, which was designed for persons of color and women and others who did not have the opportunity for graduate education in this field. The program is academic and site-based learning through assignment to a governmental agency. Ms. Mendez had been participating in direct assistance to the family and individual evacuees from the Gulf States in assessing their housing needs, and she would be working with the Executive Director, Deputy Executive Director Olson Lee and the Mayor's team to make sure there was a full range of housing opportunities available. Ms. Rosen stated the Commission would be kept apprised of the progress and that to date, there were about 55 households that had sought housing assistance through the Red Cross Center.

- Agency staff had noticed the Mid-Market Redevelopment Plan public hearing for Tuesday, October 18th.
- Introduced Housing Division intern from San Francisco State University, Ms. Misako Mori.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington stated she wanted to publicly thank Executive Director Rosen for being a part of the Fort Mason Foundation visioning process to strategize about the foundation's future. Ms. Covington shared that she was the immediate past vice-chair of the foundation, which was on the verge of signing a 60-year cooperative agreement with the National Park Service, which was a wonderful opportunity and the signing was imminent. Ms. Covington stated that the foundation had reached out to movers and shakers and visionaries in the community and asked them to be a part of the visioning process. Ms. Covington stated that Executive Director Rosen was very gracious with her comments and very generous with her time, and was really able to put a lot of things in perspective for the staff and board members of Fort Mason Center, and for that, she thanked Ms. Rosen.
- Commissioner Covington stated she was happy to hear the Executive Director's report about housing opportunities for the evacuees from the gulf state region. Ms. Covington shared that she went through Red Cross training so that she could volunteer in the shelter at St. Mary's, which she did for almost two weeks. Ms. Covington stated that housing was going to be quite a challenge and thought that the 55 households that sought assistance, reported by Executive Director Rosen, was a very small number. Ms. Covington stated that based upon her own interactions with people, after the initial one-month hotel stay that was being provided by the Red Cross, people would have to find more permanent housing. Ms. Covington stated she did not think that people really knew where to go to make those requests, and there were almost 400 open cases in San Francisco alone, and that number could represent three or four members of one family, which could total to almost 1,000 people seeking housing assistance. Ms. Covington stated that people were not sure of what the process was, and with the task force headed by Mr. Matt Franklin, hoped that the City could put forth its very best efforts to assist people who had come from dire straits. Ms. Covington stated it was the first time she fully understood that when a person said they had nothing, they meant they did not have time to grab their purse with their ID in it. Ms. Covington stated she would like to see the Agency to be as expeditious as possible and get the services that people required.

Executive Director Rosen stated staff was meeting with the Mayor's Office and others the next morning and that there was communication on a daily basis, and she would keep the Commission informed.

- Commissioner Breed stated she wanted to welcome back Commissioner Leroy King and that she missed him at the Commission meetings and it was really nice to have him back. Ms. Breed stated that with regard to the Western Addition, she would encourage the Executive Director to continue to work closely with the Western Addition CAC, and also encourage Ms. Gaynell Armstrong to be proactive when dealing with the CAC. Ms. Breed stated that she knew that there was a disconnect and that the CAC felt left out of the process, and everyone was trying to please not only members of the CAC, but members of the broader community as well. Ms. Breed stated she would urge staff to be really proactive in providing the CAC with timely information for their meetings, but also provide regular updates on general redevelopment activities that may be of interest to them. Ms. Breed stated that the Agency needed to figure out a better way to make the process work, and that she had been actively involved in working with the Executive Director and members of the CAC in trying to provide as much information as possible, and that she would be available to help facilitate that process. Ms. Breed stated she knew first-hand that the Executive Director had been meeting with members of the community, and although that was good, as the Executive Director, her time would be better used if her staff provided the necessary information to the community on a consistent basis.
- Commissioner Breed asked who the director was for Mission Housing and Development Corporation (MHDC) and if he was one of the people who addressed the Commission.

Executive Director Rosen stated that Mr. Jose Wheelock is the director of MHDC, who was not in attendance at the meeting. Mr. Larry Del Carlo, the chair of the MHDC board, addressed the Commission during public comment.

10. CLOSED SESSION

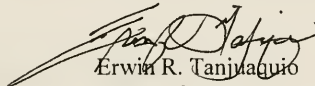
- (a) Pursuant to Government Code § 54956.8 to confer with the Agency's real property negotiators in connection with potential lease terms with Boxed Foods Company and PJR LLC (dba Samovar Tea Lounge), regarding the East and West Cafes at Yerba Buena Gardens, Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Tracie Reynolds, Tiffany Bohee, and Penny Nakatsu.

- (b) Pursuant to Government Code Section § 54956.8 to confer with the Agency's real property negotiators in connection with the negotiations with Mission Housing Development Corporation, a California nonprofit public benefit corporation, regarding Central Freeway Parcel C, Assessor's Block 768, Lot 13; Western Addition Redevelopment Project Area A-2. Agency negotiators: Marcia Rosen, Olson Lee, James B. Morales, Gaynell Armstrong, Heidi Gewertz, Kate Hartley, and Tiffany Bohee.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:03 p.m.

Respectfully submitted,


Erwin R. Taniwaquio
Agency Secretary

APPROVED:

October 4, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
4TH DAY OF OCTOBER 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of October 2005, at the place and date duly established for holding of such a meeting.

The Commission met as the Housing Committee of the Affordable Housing and Home Ownership Bond Program before commencing the regular Agency meeting Agenda. The Housing Committee meeting was called to order at 4:00 p.m. and adjourned at 4:21 p.m.

President Richard H. Peterson Jr. called the meeting to order at 4:29 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Joanne Sakai, Acting Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of September 20, 2005

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. KING (MR. YEE ABSTAINED), THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF SEPTEMBER 20, 2005, BE ADOPTED.

REGULAR AGENDA

Items 4 (b) through 4 (e) were presented together and acted upon separately.

- 4 (b) Resolution No.147-2005, Affirming the environmental findings and statement of overriding considerations previously adopted pursuant to the California Environmental Quality Act for the South of Market Redevelopment Plan Amendment and related documents and actions; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (c) Resolution No. 148-2005, Approving the Report on the Redevelopment Plan for the South of Market Earthquake Recovery Redevelopment Plan Amendment and authorizing transmittal to the Board of Supervisors of the City and County of San Francisco; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (d) Resolution No. 149-2005, Approving the proposed Redevelopment Plan Amendment for the South of Market Earthquake Recovery Redevelopment Project Area and recommending its adoption by the Board of Supervisors of the City and County of San Francisco; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (e) Resolution No. 150-2005, Amending the rules governing participation by property owners and the extension of reasonable preferences to business occupants for the South of Market Earthquake Recovery Redevelopment Project; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Susan Koppy, Jerald F. Gunn, Tom Januario, Charles Winmill, Tom Parks, Henry Karnilowicz, Brian Egg, Antoinetta Stadlman III, Charles Range

Commissioner Yee stated he recalled many times in the past that he had raised concerns about the under-representation of residents on the South of Market Project Area Committee (PAC), because of telephone calls he had received from many individuals from South of Market. Mr. Yee stated that the members of the PAC should be recognized and commended for doing an outstanding job in South of Market, in particular, Mr. Charles Range who

had provided him with information about the plan amendment. Mr. Yee stated that since it was the Board of Supervisors who adopted the articles of formation for the PAC, the Agency could not modify the composition of the PAC, and urged residents to write the President of the Board of Supervisors to modify the PAC's composition to have more residents represented. Mr. Yee stated that as a long-time small developer in San Francisco, he was familiar with the city, especially the South of Market area and Sixth Street, and that he was well-aware of the blighting conditions, but the Agency had spent a lot of money trying to improve the area and there had been a lot of progress with the leadership and hard work of the PAC. Mr. Yee stated he had attended a few PAC meetings and he knew how hard the PAC worked. Mr. Yee stated that because of the testimony from the public, in particular, representatives from the Clara Street Homeowners' Association, he put forth a motion to continue the South of Market Plan Amendment items indefinitely.

Commissioner Romero stated that he agreed with almost everything that Commissioner Yee stated, except for the motion to continue the items. Mr. Romero stated he would not support the motion to continue the items. Mr. Romero welcomed members of the Clara Street Homeowners' Association and stated that he had not seen them at previous Commission meetings. Mr. Romero stated that the Agency and the PAC had been working together on the plan amendment for over eight years and the plan amendment was just a framework and a set of goals of what the Agency wanted to see happen in the area. Mr. Romero stated that as individual parcels begin to be developed, there would be a public process the entire way through, including review by the PAC, consideration by the Agency Commission, and the public would have adequate opportunity to voice their concerns, and urged them to get involved in that process. Mr. Romero stated he felt a loyalty to the PAC because of their hard work for the past eight years, and that they have worked in a fair manner, and both the Agency and the PAC had responded to issues including eminent domain and the PAC had done a thorough job. Mr. Romero stated that he did not see specific problems with the proposed plan amendment that had arisen since the Commission first acted on the plan amendment in May 2005. Mr. Romero stated he would not support the motion to continue and that if it was appropriate, he would put forth a motion to adopt item 4 (b), and if not, he would wait for the appropriate time to make a motion to adopt.

Commissioner Covington stated she believed that in the instance where there was not a second to a motion, the motion would die, according to her understanding of Robert's Rules of Order.

Commissioner Yee interjected and stated that the motion had not died because the rest of the Commissioners had not had the opportunity to speak.

President Peterson requested a ruling from the General Counsel.

General Counsel James Morales stated that the practice of the Commission had been to recognize a second immediately upon the making of a motion, although it was also true that on occasion, the Commission would wait until someone speaks to second the motion after being called on, but the practice, and probably the better approach, would be to have a motion and then recognize anybody who would second the motion, so that there could be a discussion on the motion that was pending. Mr. Morales stated that otherwise, there could be a great length of time before there was a second and the Commission would be debating on extraneous matters. Mr. Morales stated that the better practice would be to have a motion and an immediate second.

Commissioner Covington stated that she would delay her comments while the President sought a second to Commissioner Yee's motion to continue.

Commissioner King seconded Commissioner Yee's motion to continue the South of Market Plan Amendment items indefinitely.

Commissioner Covington asked what the vote was by the PAC on the proposed plan amendment. Ms. Covington asked what the interaction was with the Clara Street Homeowners' Association and when staff first became aware of their concerns and how they were addressed.

Mr. Mike Grisso, Project Manager, stated that the vote on the proposed plan amendment was 11 to 1, and the dissenting vote was not a property owner. Mr. Grisso stated that all of the property owners, including a homeowner who lived on Clara Street, voted in favor of the proposed plan amendment. Mr. Grisso stated that he met Ms. Susan Koppy and Mr. Jerald Gunn at a PAC meeting a couple of months ago, and gave them his business card and asked them to give him a call, but did not receive a call. Mr. Grisso stated he received a telephone call from Mr. Charles Winmill and answered questions, and had not heard from him again. Mr. Grisso stated he was aware of their concerns. They did say that they wanted to see the PAC's composition change, and he had informed them that the PAC's composition was up to the Board of Supervisors, and they could address that issue before the Board of Supervisors.

Commissioner Covington asked how many total members there were on the PAC, and how many represented homeowners.

Mr. Grisso stated he believed there were currently 17 members on the PAC, and two slots represented owner-occupants. Mr. Grisso stated there were other property owners represented, but did not live in the area, and there were three such owners on the PAC.

Commissioner Singh asked when the PAC was elected, and if there were any provisions for reelection. Mr. Singh asked what the total number of seats was in the PAC.

Mr. Grisso stated that the PAC was originally elected in 1997. Mr. Grisso stated there were no provisions for reelection in the Board of Supervisors' ordinance or the California Community Redevelopment Law. Mr. Grisso stated there was a total of 21 seats on the PAC, but there were some vacancies, mostly tenant seats that had not been filled.

Commissioner Singh stated he would suggest that the Agency fill some of the vacancies with representatives from the Clara Street Homeowners' Association so that they would have a voice.

Mr. Grisso stated that the Board of Supervisors determined the composition of the PAC and if and when an election would take place, so the Board of Supervisors created the PAC to advise the Agency, and the Agency Commission would not have jurisdiction on the composition of the PAC.

Commissioner Singh asked what the impact would be if the matters were delayed.

Mr. Grisso stated there had been quite a bit of preparation for the proposed plan amendment hearings and notices had been sent out that cost quite a bit of money, and documents prepared in anticipation of the Commission's consideration of the items at the October 4th meeting.

Commissioner King stated he believed that the PAC was authorized by the State through the Board of Supervisors, but gave the authority to the Agency to oversee the composition of the PAC. Mr. King stated he was opposed to the proposed plan amendment, specifically the use of eminent domain, because the Redevelopment Agency destroyed two communities with eminent domain, and as long as he was on the Commission, he would never vote for the use of eminent domain on any document, because this would take people's property on a whim with decisions made by the Agency and the Board of Supervisors. Mr. King stated he would like to see the proposed plan amendment voted down and revised to not include the use of eminent domain. Mr. King stated he would urge staff to further research the issue of the PAC's composition.

President Peterson asked if staff knew what the vote was on the proposed plan amendment when the Commission considered it in May 2005.

Mr. Grisso stated that the Commission voted unanimously to approve the proposed plan amendment when it first considered it in May 2005.

Commissioner King stated he may have been absent at the meeting when the Commission first considered the proposed plan amendment.

Commissioner Yee stated that staff should not make comments that the Agency spent and wasted a lot of money because the Agency and its staff were there to serve the public and the community. Mr. Yee stated that the Redevelopment Agency was one of the richest agencies and it had a lot of financial resources for its programs. Mr. Yee urged staff not to overlook the fact that they were hired to work for the Agency and to serve the community, and staff should not ever say that the Agency wasted time and spent a lot of money in serving the community, because they deserve the support of the Agency. Mr. Yee stated that he was not objecting to the proposed plan amendment, but his objection was that there were only two seats on the PAC that represented homeowners in the area. Mr. Yee stated that his intent was to continue the matters until the PAC had an opportunity to meet and discuss the representation of homeowners in the PAC. Mr. Yee stated that he would like to participate in future PAC meetings.

Commissioner Breed requested an explanation about the street cleaning services and its relationship with the loan program for Sixth Street. Ms. Breed requested verification that the loans were only for the buildings and not for the street cleaning and graffiti removal services.

Mr. Grisso stated that the street cleaning and graffiti removal services were provided by a contractor hired by the Agency, and not included in the loan program for Sixth Street, which dealt with façade improvement loans for the buildings along Sixth Street. Mr. Grisso affirmed that the loans were only for the buildings and not for the street cleaning and graffiti removal services.

Commissioner Breed asked if there were any specific plans in place after eminent domain was enforced in the project area.

Mr. Grisso stated that eminent domain could only be used in the project area to alleviate blighting conditions, which were specifically described in the proposed plan amendment, and any replacement use would be something that served the community's benefit.

Commissioner Breed asked who would make the decision on the replacement use of any property, and if such decision would be reviewed by the PAC.

Mr. Grisso stated that the Agency Commission would make the decision on what the Agency would do the property, and the PAC would have the opportunity to review such decision.

Commissioner Breed asked the General Counsel to speak about how the membership of the PAC was comprised.

General Counsel Morales stated that under the Community Redevelopment Law, after the Planning Commission approved the Preliminary Plan in 1987, for the proposed expansion of the South of Market project area, the Board of Supervisors considered the matter and adopted articles of formation for the PAC. Mr. Morales stated that the articles of formation set the number of PAC members and the composition, and typically, the composition would be composed of a certain number of property owners, tenants, business owners, non-profit organizations. Mr. Morales stated that for South of Market, there was an existing ordinance adopted by the Board of Supervisors, and the Agency assisted in implementing the ordinance and through the Department of Elections, the Agency held an election to fill the seats adopted by the Board of Supervisors, and subsequently, pursuant to the PAC's bylaws, vacancies would be filled by a majority vote of the PAC, but still within the categories originally established by the Board of Supervisors. For example, if a property owner vacated a seat after being elected, the PAC could only choose another property owner to fill the vacancy.

Commissioner Breed asked if recommendations could be made to the PAC, from either the Agency or other entities, for specific members of the public from the area.

Mr. Morales stated that nothing precluded the Agency Commission from making recommendations to the PAC, so the Commission could make recommendations to the PAC.

Commissioner Breed stated that as a lifetime resident of the Western Addition, she had seen the horrible results of eminent domain in her community, but in the South of Market area, she appreciated the fact that there were a lot of limitations on the use of eminent domain, and she understood the concerns from Commissioner King, about the use of eminent domain even being included in the proposed plan amendment. Ms. Breed stated she believed there was a need to move forward, and that she was sensitive to the community's concerns and encouraged staff to be considerate of the concerns that had been raised. Ms. Breed stated she believed that there would be time to refine the plan as it moved forward, and that she would not support the continuance of the matters. Ms. Breed suggested that staff make recommendations to the PAC to work with the Clara Street Homeowners' Association to ensure that they were included in discussions that affect their neighborhood. Ms. Breed stated she would recommend that staff work with the PAC to fill the vacancies with recommendations that the Clara Street Homeowners' Association have the opportunity to participate in an official capacity on the PAC.

President Peterson stated he concurred with Commissioner Breed's statements and he wanted to set the record straight with some of the testimony from the public. Mr. Peterson stated that there were statements made that homeless people and the down-trodden would be deposited in the yet to be completed Plaza Apartments, and that was simply untrue. Mr. Peterson stated that based upon his own investigation, the residents of the Plaza Apartments would in fact come from the Sixth Street neighborhood. Mr. Peterson stated there were also comments about the proposed reinforcement of structurally unsound buildings around causing problems for buildings that would not be structurally reinforced, and although he was not an engineer, he was in the construction business, and it made sense that structurally unsound buildings would benefit, as well as the whole community, from strengthening structurally unsound buildings in the area. Mr. Peterson stated he thought that everyone had a concern about the future of Sixth Street, which was a very busy street in an area that had a lot of promise. Mr. Peterson stated that as a homeowner and a property owner, he completely understood some of the insecurities that some of the homeowners spoke about, and although the homeowners did not completely oppose the proposed plan amendment, he understood they felt that it should be given more time. Mr. Peterson stated that he also understood his fellow Commissioners wanting to continue the matter, but he believed that the Commission would continue to be open to the community's feedback in the future. For example, if a property was to be seized with eminent domain, which would be a last resort, the replacement use for that site would have to go through the normal planning and redevelopment process, with the public's participation, PAC review and consideration by the Commission. Mr. Peterson stated that should there be a proposal for something that was totally inappropriate for the neighborhood, that would be addressed at that time. Mr. Peterson stated that the main reason why the matter should not be continued, and that the Commission should instead vote for its approval, is that although the proposed plan was not perfect, it was a strong and positive plan for the community. Mr. Peterson stated that he wished he was a property owner in the area because the property values for everyone concerned in the area would do nothing but increase, and the area would become more attractive, vibrant, more dynamic and more positive. Mr. Peterson stated that because of this, the Agency Commission should do what would be best for the City as a whole, and that he understood and appreciated the comments made by the homeowners, but he felt that the Commission had the responsibility to do what was right for the entire City. Mr. Peterson stated that the Commission was committed to keeping the line of communications open to the Clara Street Homeowners' Association specifically, but the Commission had the responsibility to move forward and get the people's business done, and take a very good plan, not a perfect plan, but a well-studied plan, and adopt it. Mr. Peterson urged his fellow Commissioners to not continue the matter and vote to approve it.

President Peterson called for a roll call vote on the motion to continue the items.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, THAT REGULAR AGENDA ITEMS 4 (b) THROUGH 4 (e) RELATING TO THE SOUTH OF MARKET PROPOSED REDEVELOPMENT PLAN AMENDMENT, BE CONTINUED INDEFINITELY, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES AND FIVE (5) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO CONTINUE THE ITEMS FAILED.

President Peterson stated that items 4 (b) through 4 (e) were before the Commission, and he put forth a motion to adopt item 4 (b).

Commissioner Covington stated she believed that the President could not make a motion, as he was the presiding officer.

Commissioner King stated there was misinformation about the PAC election and the fact was that the members of the PAC were elected by the people from the South of Market community, and were not appointed by the Board of Supervisors. Mr. King requested verification from the General Counsel.

Mr. Morales affirmed that the members of the PAC were elected by the people from the South of Market community and not appointed by the Board of Supervisors.

Commissioner Romero seconded President Peterson's motion to adopt item 4 (b).

President Peterson requested verification that he could make a motion to adopt an agenda item.

Mr. Morales stated that typically, the Robert's Rules of Order suggest that the President not make the motion being a neutral person and trying to facilitate or preside over the meeting, but it was certainly the prerogative of the Commission to recognize the President's motion, if the Commission wanted.

ADOPTION: IT WAS MOVED BY MR. PETERSON, SECONDED BY MR. ROMERO, THAT ITEM 4 (b) RESOLUTION NO.147-2005, AFFIRMING THE ENVIRONMENTAL FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS PREVIOUSLY ADOPTED PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE SOUTH OF MARKET REDEVELOPMENT PLAN AMENDMENT AND RELATED DOCUMENTS AND ACTIONS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 147-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PETERSON, SECONDED BY MR. ROMERO, THAT ITEM 4 (c) RESOLUTION NO. 148-2005, APPROVING THE REPORT ON THE REDEVELOPMENT PLAN FOR THE SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PLAN AMENDMENT AND AUTHORIZING TRANSMITTAL TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 148-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PETERSON, SECONDED BY MR. ROMERO, THAT ITEM 4 (d) RESOLUTION NO. 149-2005, APPROVING THE PROPOSED REDEVELOPMENT PLAN AMENDMENT FOR THE SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA AND RECOMMENDING ITS ADOPTION BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 149-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PETERSON, SECONDED BY MR. ROMERO, THAT ITEM 4 (e) RESOLUTION NO. 150-2005, AMENDING THE RULES GOVERNING PARTICIPATION BY PROPERTY OWNERS AND THE EXTENSION OF REASONABLE PREFERENCES TO BUSINESS OCCUPANTS FOR THE SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 150-2005 WAS ADOPTED.

Items 4 (f) through 4 (h) were presented together and acted upon separately.

- 4 (f) Resolution No. 151-2005, Authorizing a Tax Increment Loan Agreement and a second amended and restated option to ground lease with Mercy Housing California XIV, a California limited partnership, in an amount not to exceed \$25,258,383, for the development of approximately 135 very low income family rental units, and one manager's unit, at 10th and Mission Streets, Block 3508, Lots 26 and 27; Mid-Market Redevelopment Survey Area, Citywide Tax Increment Housing Program
- 4 (g) Resolution No. 152-2005, Conditionally approving a schematic design and making findings under the California Environmental Quality Act for Mercy Housing California XIV's, a California limited partnership, 10th and Mission family housing project located at 10th and Mission Streets, Block 3508, Lots 26 and 27; Mid-Market Redevelopment Survey Area

- 4 (h) Resolution No. 153-2005. Conditionally approving a schematic design and making findings under the California Environmental Quality Act for Mercy Housing California's, a California nonprofit public benefit corporation, 9th and Jessie senior housing project, located at 9th and Jessie Streets, Block 3508, Lot 51; Mid-Market Redevelopment Survey Area

Presenters: Elizabeth Colomello, Gabriela Cardona (Agency staff), Ramie Dare (Mercy Housing), Richard Sheng (KMD Architects)

Commissioner Romero thanked everyone for a good and clear presentation. Mr. Romero stated that it was a very attractive project and would meet a great need, and an excellent combination of uses and particularly the way the building design had been adjusted to fit the site. Mr. Romero put forth a motion to adopt item 4 (f).

Commissioner Covington requested verification that there would be a lounge on every floor of the senior housing, as well as a combination of laundry and lounge area in some of the floors. Ms. Covington asked what opportunities would exist for the seniors to interact with the residents of the family housing, and how the physical space had been planned to promote interaction between the seniors and family housing residents.

Ms. Elizabeth Colomello, Development Specialist, affirmed that there would be a lounge on every floor of the senior housing, as well as a combination of laundry and lounge area in some of the floors.

Ms. Ramie Dare of Mercy Housing, stated that Mercy Services Corporation, which was Mercy Housing's property management arm, would be managing both the family and senior housing. Ms. Dare stated that they saw the two management teams collaborating along with Catholic Charities, but they had not quite figured out all of the details, and had designed the buildings so that on the second level where the open space courtyards would be located, they would connect the two buildings, and the physical connection would allow for programming across the two properties. The multipurpose rooms would be immediately adjacent to the courtyards on the second level (Ms. Dare pointed to an illustrative site plan showing the courtyard space connecting the two properties). Ms. Dare stated that they saw a lot of opportunity for inter-generational activities and programs, but had not quite fleshed those out yet.

Commissioner Covington stated she would encourage the developer, as much as possible, to not isolate the seniors because they would get a lot of energy from seeing and interacting with youngsters, and youngsters who would not have close proximity to their grandparents, also needed to see elders, and the idea would be to not separate them. Ms. Covington stated

that as much integration of the age groups as possible, would be her preference. Ms. Covington stated she agreed with Commissioner Romero that the project had an attractive design, and seconded his motion to adopt item 4 (f).

Commissioner Singh stated he also agreed with Commissioner Romero's remarks. Mr. Singh asked if the \$25 million was a loan or a grant, and what the method of payment was.

Ms. Colomello stated that the \$25 million was a loan, and the repayment would come from surplus cash, if there was surplus cash to the project from operations and the loan would be repaid, but it would not a regular amortized loan.

Commissioner Singh asked how much money had been loaned to Mercy Housing in the current year.

Acting Executive Director Joanne Sakai stated that staff did not have the information, but could provide a report to the Commission.

Commissioner Singh stated he would like a report prepared for the Commission. Mr. Singh requested verification that there were 45 senior housing units.

Ms. Colomello stated there were actually two separate buildings, the building on 9th and Jessie Streets would for senior housing with 107 units, and the family housing at 10th and Mission streets would have 135 units.

Commissioner Breed asked when the project was put out to bid and awarded. Ms. Breed stated that staff may not have the information, but would like to have a report on how many total projects Mercy Housing had with the Redevelopment Agency, including the location of the projects.

Ms. Colomello stated that the developer first came to the Mayor's Office of Housing, then to the Redevelopment Agency with the project, because they were able to enter into a purchase and sale agreement with the previous owner of the property, and the right to purchase the site had been transferred to the Agency, which had been purchased by the Agency. Ms. Colomello stated that since the developer brought the proposed project to the City/Agency, the project did not go out to bid. Ms. Colomello stated that the purchase agreement occurred in January 2001.

Commissioner Breed referred to the common courtyard space between the two buildings which was right next to the San Francisco Mart, which would probably be shadowed, and asked if staff had addressed the casting of shadows on the open space, which may not be that comfortable for the residents.

Mr. Richard Sheng from KMD Architects, stated that the site had a northerly orientation, and based upon the shadow analysis performed for the project, the open space would have sun exposure for most of the day for six months of the year.

Commissioner Breed requested verification that the senior housing would be independent senior housing and not assisted living. Ms. Breed inquired about parking for the senior and family housing.

Ms. Colomello affirmed that the senior housing would be independent-living for seniors. Ms. Colomello stated there would be seven parking spaces in the senior housing, and 35 parking spaces in the family housing, in conformance with the parking requirements of the City Planning Code. Ms. Colomello stated that in Mercy Housing's experience, the parking spaces provided would be adequate for the type of development proposed, especially with the close proximity of public transit.

Commissioner Breed asked if there were representatives from Catholic Charities to speak about their role in the proposed project, and asked if there was an agreement between Mercy Housing and Catholic Charities, because they were listed as the service provider for the project.

Ms. Ramie Dare of Mercy Housing stated that a Memorandum of Understanding with Catholic Charities was yet to be executed.

Ms. Colomello stated she wanted to clarify that the Agency had a requirement for the disbursement of the loan that there be a Memorandum of Understanding in place, which was addressed in the loan agreement with Mercy Housing for the development of the site.

Commissioner Breed asked if there was any possibility that Catholic Charities may not be the service provider, should things not fall into place. Ms. Breed asked if Mercy Housing had worked with Catholic Charities in past, and if so, provide an example of a project.

Ms. Colomello stated she though there would be a possibility, but not likely.

Ms. Dare stated that Mercy Housing had worked with Catholic Charities in the past, and that the participation of Catholic Charities was deemed important because of their expertise and experience.

Ms. Barbara Gualco of Mercy Housing stated that they currently worked with Catholic Charities on Peter Claver Community, serving formerly homeless people with HIV in the Western Addition. Mercy Housing collaborated with them on the Derek Silva on Market Street, and they

developed units with Catholic Charities on the Phase I homeless development in Treasure Island, and also on a small development on Geary Boulevard called Richmond Hills.

Commissioner Yee requested verification that a shadow study was done for the proposed project.

Ms. Colomello affirmed that a shadow study was conducted for the proposed project.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 151-2005, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT AND A SECOND AMENDED AND RESTATED OPTION TO GROUND LEASE WITH MERCY HOUSING CALIFORNIA XIV, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$25,258,383, FOR THE DEVELOPMENT OF APPROXIMATELY 135 VERY LOW INCOME FAMILY RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 10TH AND MISSION STREETS, BLOCK 3508, LOTS 26 AND 27; MID-MARKET REDEVELOPMENT SURVEY AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 152-2005, CONDITIONALLY APPROVING A SCHEMATIC DESIGN AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR MERCY HOUSING CALIFORNIA XIV'S, A CALIFORNIA LIMITED PARTNERSHIP, 10TH AND MISSION FAMILY HOUSING PROJECT LOCATED AT 10TH AND MISSION STREETS, BLOCK 3508, LOTS 26 AND 27; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 153-2005, CONDITIONALLY APPROVING A SCHEMATIC DESIGN AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR MERCY HOUSING CALIFORNIA'S, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, 9TH AND JESSIE SENIOR HOUSING PROJECT, LOCATED AT 9TH AND JESSIE STREETS, BLOCK 3508, LOT 51; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

Items 4 (i) and 4 (j) were presented together and acted upon separately.

- 4 (i)** Resolution No. 154-2005, Adopting environmental findings pursuant to the California Environmental Quality Act in connection with the approval of the combined basic concept and schematic design for a 268 unit residential project on Parcel 1 of Block N4 in the Mission Bay North Redevelopment Project Area, pursuant to an Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay North Redevelopment Project Area
- 4 (j)** Resolution No. 155-2005, Adopting environmental findings pursuant to the California Environmental Quality Act in connection with the approval of the combined basic concept and schematic design for a 268 unit residential project on Parcel 1 of Block N4 in the Mission Bay North Redevelopment Project Area, pursuant to an Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay North Redevelopment Project Area

Presenters: Tom Evans (Agency staff), Faraaz Mirza (Kwan Henmi Architects)

Commissioner Yee asked why the proposed project did not have inclusionary housing.

Mr. Tom Evans, Assistant Project Manager, stated that the inclusionary housing requirements in Mission Bay were met with a combination of private developments that have inclusionary housing and Agency stand-alone affordable housing developments, in accordance with the agreement with Catellus, which agreed to provide affordable housing sites to Agency for free to develop affordable housing. Mr. Evans stated that this arrangement was found to be more efficient in delivering affordable housing units, which would exceed 20%.

Commissioner Yee asked if the agreement with Catellus was approved by the Commission, and if so, when. Mr. Yee asked if there was a shadow study conducted for the proposed project.

Mr. Evans stated that the Commission did approve the Mission Bay Redevelopment Plan and the Owner Participation Agreement with Catellus in 1998. Mr. Evans stated that a shadow study was conducted and found that the proposed project would not cast shadows on the public open space areas to the southeast.

Commissioner Yee stated he liked the project and put forth a motion to adopt item 4 (i).

Commissioner King seconded the motion and commended staff and the developer for a job well done.

Commissioner Singh stated he thought the project was very nice and asked what the total project cost was.

Mr. Faraaz Mirza of Kwan Henmi Architects, stated he believed that the total project cost was \$65 million.

Commissioner Singh stated that although there was a diverse development team, he did not see anyone from the Indian community.

Mr. Dennis Henmi of Kwan Henmi Architects, stated that the structural engineer was OLMM, which was Indian-owned.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 154-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT IN CONNECTION WITH THE APPROVAL OF THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A 268 UNIT RESIDENTIAL PROJECT ON PARCEL 1 OF BLOCK N4 IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 155-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT IN CONNECTION WITH THE APPROVAL OF THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A 268 UNIT RESIDENTIAL PROJECT ON PARCEL 1 OF BLOCK N4 IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 156-2005, Considering the Western Addition Citizens Advisory Committee's request to authorize a grant agreement with Ave Montague dba Ave Montague & Associates for reimbursement for events held in the Western Addition A-2 related to the 2005 San Francisco Black Film Festival in an amount not to exceed \$7,500, conditioned upon submission of supporting documentation; Western Addition Redevelopment Project Area A-2

Presenters: Gaynell Armstrong (Agency staff)

Speakers: Ave Montague, Thomas Simpson, Shelley Bell, Mary Rogers, Kevin Epps, Randall Evans, Ace Washington

Commissioner Breed stated that it was not a lot of money, which was disappointing, given all the hard work that Ms. Montague did in the community. Ms. Breed stated that as a supporter of the Black Film Festival and Urban Kids Film Festival, both festivals were amazing. Ms. Breed stated that although she was new to independent films, she had enjoyed the remarkable talent that had been presented at the festival, and as the director of the African-American Art and Culture Complex, she supported the work of Ms. Montague because the work she did opened a new positive outlet in film to the young people of the Western Addition community. Ms. Breed stated that not only was she supporting the Black Film Festival, but also appreciated Ms. Montague's hard work and perseverance doing what she does in a very difficult situation. Ms. Breed stated that a lot of the work through the Promotions Office were supported or sponsored by Ms. Montague's work and that she would like to see the Black Film Festival to become part of the promotional events in the Fillmore Jazz District, which was the subject of the next Agenda item regarding the reallocation of funds for that purpose. Ms. Breed stated that the Black Film Festival was very important to the community and her, and put forth a motion to adopt item 4 (k).

Commissioner King seconded Commissioner Breed's motion and stated that he was the only one who voted against the Promotions Office because he was opposed to the consultant who was from San Jose, doing promotions in San Francisco. Mr. King stated he had seen some of the films Ms. Montague had presented at the Black Film Festival, and thanked her for bringing films of someone like Paul Robeson for young African-Americans to see.

Commissioner Covington stated she supported the funding for the project even though it was retroactive. Ms. Covington asked what would be the process for applying for next year's festival, because the Black Film Festival was annual event. Ms. Covington stated that the festival was a wonderful event and a worthwhile endeavor, and Ms. Montague was a wonderful programmer.

Acting Executive Director Joanne Sakai stated that currently, there was no process for applying for funding, and during discussions with the Promotions Office Advisory Committee, staff had recommended that the undisbursed funds, which were the subject of the next Agenda item, include a portion to be set aside for grants to support community-based events, however, because the Advisory Committee did not reach consensus on the matter, staff did not bring the proposal to the CAC. At the recommendation

of the CAC, staff would issue a Request for Proposals that would cover certain events including the musical events and the Black History Month, and these were the matters that the CAC reached consensus on.

Commissioner Covington stated she was not sure how it could be done, but somehow, the Agency had to make sure that there was consistent funding and programming for the Jazz Preservation District, which was yet to be done. Ms. Covington stated that as a jazz and film fan, she would really like to suggest that the Agency include in the programming a jazz film festival, and if the Agency could make funding available for consistent, vibrant and well-attended programming in the area, it would be helpful for everyone to know how to access those funds. Ms. Covington stated she was not sure if the Commission had to do something, but this was the second or third time that the issue of funding for the Jazz District had come up, and the Agency needed to have a way for people to submit proposals and know if those proposals met certain criteria, and could be funded or not funded. Ms. Covington stated she would support the retroactive grant for Ms. Ave Montague.

Commissioner Singh stated that he had heard about Ms. Montague's excellent work, but had never seen her. Mr. Singh stated he agreed with Commissioner Covington that there should be annual funding for Ms. Montague's work on the Black Film Festival.

Commissioner Yee stated that the Commission made policies for the Agency and the Executive Director implemented the Commission's policies.

Acting Executive Director Sakai stated that one of the reasons why the Commission was provided the opportunity to review a RFP, was to have the Commission, if it wished to change the proposed scope or give staff further directions on the proposed use of the funds, then the Commission would have the opportunity to do so. Ms. Sakai stated that staff had been reviewing with the Western Addition CAC, undisbursed and unencumbered funds in the Western Addition budget, which the Commission had the discretion to give staff directions on the use of the funds.

Commissioner Yee stated that was what he was trying to say. Mr. Yee stated that with regard to the \$7,500 grant, there was no disagreement among the Commissioners because it was well-deserved. Mr. Yee stated that it was good to see Mrs. Mary Rogers attending the Commission meetings, and that her commitment and dedication to the community were commendable. Mr. Yee stated he would encourage the Executive Director to find unexpended funds for community-based events.

Commissioner Romero asked how long the Western Addition A-2 Redevelopment Plan was in effect.

Acting Executive Director Sakai stated that the Western Addition A-2 Redevelopment Plan would expire on January 1, 2009.

Commissioner Romero stated it was unusual that there was no staff recommendation on the grant for Ms. Montague, and asked if the matter was discussed by the CAC.

Acting Executive Director Sakai stated that both the Promotions Office Advisory Committee and the CAC supported the approval of the grant for Ms. Montague's work on the Black Film Festival.

Commissioner Romero stated that the memorandum was not clear, but he was persuaded by Commissioner Breed's comments about the work that Ms. Montague did in the community and that it was not a great deal of money. Mr. Romero stated that in the eight years he had been on the Commission, the Agency had made not only a substantial commitment to complete the Western Addition, but had invested a great deal of money as well. Mr. Romero urged his fellow Commissioners to look closely at the substantial investment that the Agency had made on Parcel 732-A, which lay fallow for many many years. Mr. Romero stated that he wanted the Commission to recognize that the Agency had made a substantial investment in the community and hoped that it would continue to do so, in order to finish the work in Western Addition, but he would hate to see organizations like Ms. Montague, become fully dependent on Agency funding since there would be a sunset of the Agency's involvement in the project area. Mr. Romero stated he was happy to support the project while the Agency could.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 156-2005, CONSIDERING THE WESTERN ADDITION CITIZENS ADVISORY COMMITTEE'S REQUEST TO AUTHORIZE A GRANT AGREEMENT WITH AVE MONTAGUE DBA AVE MONTAGUE & ASSOCIATES FOR REIMBURSEMENT FOR EVENTS HELD IN THE WESTERN ADDITION A-2 RELATED TO THE 2005 SAN FRANCISCO BLACK FILM FESTIVAL IN AN AMOUNT NOT TO EXCEED \$7,500, CONDITIONED UPON SUBMISSION OF SUPPORTING DOCUMENTATION; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (l) Resolution No. 157-2005, Authorizing the reallocation of an amount not to exceed \$290,834 for the purpose of issuing and funding request for proposals for certain promotional events in the Fillmore Jazz Preservation Jazz District; Western Addition Redevelopment Project Area A-2

Presenters: Gaynell Armstrong (Agency staff)

Speakers: Thomas Simpson, Mary Rogers, Randall Evans, Ace Washington

President Peterson announced that unfortunately, he had to leave the meeting, and turned over the chair to Vice-President Breed.

Vice-President Breed assumed the chair and presided over the remainder of the meeting.

Commissioner Breed asked what the \$8,000 of Agency cost entailed. Ms. Breed asked if the reallocation amount included funds that the Fillmore Center had paid to the Agency for programming. Ms. Breed requested verification that none of the funds would be used for the Christmas tree lighting in Western Addition.

Ms. Gaynell Armstrong, Project Manager, stated that the \$8,000 was for advertising and issuing the RFP. Ms. Armstrong stated that the reallocation amount did not include funds from the Fillmore Center as that was in a community benefits line-item, which had to be used in accordance with the 11th amendment to the Land Disposition Agreement with Fillmore Center. Ms. Armstrong affirmed that none of the funds would be used for the Holiday tree lighting event, which would come from a different line-item as requested by the community.

Commissioner Breed stated she had a question about the submission dates for the RFP, because the events planned included a Black History Month in February 2006 and the Agency Commission's consideration was not scheduled to take place until January 3, 2006, which would only provide one month of planning the celebration, and asked if staff had thought about how an organization could plan an event with the short time period.

Ms. Alicia Bert, Assistant Development Specialist, stated that the structure of the time line was created to try and move the events together, rather than breaking them out into separate events, and the time period for the Black History Month would only be one month, but it was an attempt to keep the events together.

Acting Executive Director Sakai stated that staff could look further into the dates and possibly condense the time periods to allow more time for planning.

Commissioner Breed stated that she knew that the matter had been discussed by the CAC, but was concerned that the Black Film Festival and the San Francisco Juneteenth Festival events were left out of the events listed on the proposed RFP. Ms. Breed stated that the events were very important and long-standing events in the community, and as Commissioner Romero

stated earlier, the funding for Western Addition would not be available for long, but while there was still funding available, they need to be used for programs that provide long-term sustainability in the Western Addition A-2 area. Ms. Breed stated that most of the events were not fully funded by the Agency and only provided small amounts, compared to the multi-million dollar loans and bond issuances for housing projects that the Commission routinely approved, and the reallocation amount was just over a quarter of a million dollars. Ms. Breed stated that while these funds were available, they should be used for programs that were well-recognized and well-respected programs in the community. Ms. Breed stated that the merchant marketing activities included in the RFP, while she understood the need to want to market the area and attract other businesses to the neighborhood, what she had seen instead are things that had been pushing members of her community out of the neighborhood. Ms. Breed stated she would not support a Request for Proposals that did not include the Black Film Festival and the Juneteenth Festival, and in addition to that, the activities that had been suggested to the community by the Agency staff need to be taken into careful consideration. Ms. Breed stated that the listed events in the RFP, like the Black History Month, which was successfully done by Ave Montague and Associates last year, the Jazz District Merchant Marketing activities, which she was not completely clear on what they entailed, the Fillmore Fridays outdoor concerts, which attracted a significant number of non-residents to the community and a number of non African-Americans who used to primarily dominate the Western Addition, and finally, the Jazz District signature event, which she believed was the barbecue event. Ms. Breed stated that she was born and raised in the Western Addition and she attended a number of the events last year, but she did not see many people she knew or grew up with in the community, and what that told her was that the events were marketing people that were probably new to the community, or that the Redevelopment Agency was trying to attract businesses into the area to make it a more economically-viable community. Ms. Breed stated she was not completely against that, but she was for supporting the events that have been a part of the community for a long time, and her suggestion would be to include the Black Film Festival and the Juneteenth Festival in the RFP, and would welcome suggestions from her fellow Commissioners.

Commissioner Romero stated that his general impression was the events that the money was allocated for the past couple of years, were generally well-received, and that he knew there was a lot of controversy with Cultural ID, and hoped that was behind everyone. Mr. Romero stated that it was important to dedicate the money to something that would be positive, and his general impression was that the idea was not only to bring people from the Western Addition community, but also the rest of the city, to events held in the Western Addition, in order to bring money into the area so that people could use the local businesses and feel comfortable going to the Western Addition. Mr. Romero stated he was generally in favor of the reallocation,

but wanted to include the Black Film Festival and the Juneteenth Festival, as suggested by Commissioner Breed. Mr. Romero put forth a motion to amend Resolution No. 157-2005 to include the Black Film Festival and the San Francisco Juneteenth Festival in the RFP.

Acting President Breed stated she wanted to ask the General Counsel to verify that the Agency would be looking for one entity or possibly a collaborative of entities.

General Counsel James Morales stated that the RFP was flexible enough that it could include other events, and other types of teams.

Commissioner Covington seconded Commissioner Romero's motion to amend Resolution No. 157-2005.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSENT), TO AMEND RESOLUTION NO. 157-2005 TO INCLUDE THE BLACK FILM FESTIVAL AND THE SAN FRANCISCO JUNETEENTH FESTIVAL IN THE REQUEST FOR PROPOSALS.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSENT) THAT ITEM 4 (l) RESOLUTION NO. 157-2005, AUTHORIZING THE REALLOCATION OF AN AMOUNT NOT TO EXCEED \$290,834 FOR THE PURPOSE OF ISSUING AND FUNDING REQUEST FOR PROPOSALS FOR CERTAIN PROMOTIONAL EVENTS IN THE FILLMORE JAZZ PRESERVATION JAZZ DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AS AMENDED, BE ADOPTED.

- 4 (m) Resolution No. 158-2005, Approving an operating budget not to exceed \$326,257 for the third year of the three-year maintenance and management agreement with the Port of San Francisco for the provision of maintenance and management services for Rincon Park; Rincon Point-South Beach Redevelopment Project Area

Presenters: Audrey Kay (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 158-2005, APPROVING AN OPERATING BUDGET NOT TO EXCEED \$326,257 FOR THE THIRD YEAR OF THE THREE-YEAR MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR THE PROVISION OF MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (n) Resolution No. 159-2005, Authorizing an expenditure of funds in an amount not to exceed \$85,000 to Hogue San Francisco for the purchase of furniture and miscellaneous fixtures for the South Beach Harbor services building; Rincon Point-South Beach Redevelopment Project Area

Presenters: James Nybakken (Agency staff)

Commissioner Covington stated that she appreciated the substantial discounts for the furniture and fixtures, and asked what would happen to the outdated furniture, and how it would be disposed of.

Mr. James Nybakken, Harbor Manager, stated that the Agency had an arrangement with the City to dispose of the furniture, which was in poor condition.

Commissioner Covington put forth a motion to adopt item 4 (n).

Commissioner Singh stated that Mr. Nybakken was doing a great job, and joked that he would do a better job with the new furniture. Mr. Singh stated he looked forward to the grand opening and seconded Commissioner Covington's motion to adopt item 4 (n).

Acting President Breed stated that she and President Peterson had visited the South Beach Harbor recently, and could not wait to see the completed services building.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (n) RESOLUTION NO. 159-2005, AUTHORIZING AN EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED \$85,000 TO HOGUE SAN FRANCISCO FOR THE PURCHASE OF FURNITURE AND MISCELLANEOUS FIXTURES FOR THE SOUTH BEACH HARBOR SERVICES BUILDING; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.
6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- Acting President Breed stated that President Peterson asked her to inform the Commissioners that he had been coordinating the Commission retreat and asked to check their availability for one of two dates, Friday November 18th or Friday December 2nd. Ms. Breed stated that President Peterson would be contacting each Commissioner directly to discuss the Commission's goals and expected results from the retreat.

8. REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Joanne Sakai reported on the following:

- Informational memorandum regarding issuance of a draft RFP for an environmental outreach services consultant for the Hunters Point Shipyard. Ms. Sakai stated that staff would like comments from the Commission by Thursday October 6th, so that the RFP could be issued the next day, October 7th.
- Invitations had been send to the Commission for the groundbreaking celebration for the Fillmore Heritage Center (Parcel 732-A) beginning at 11:00 a.m. at the West Bay Conference Center, Fillmore and Eddy Streets, on Tuesday, October 11th. Ms. Sakai stated that the invitations had also been sent to the CAC as well as the broader Western Addition mailing list, and the public was also invited to attend the momentous event.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner King stated he was concerned with the retreat because in past Commission retreats, the Mayor would always come and provide the Commission with his/her view on Agency policies and procedures, so staff should make sure that the Mayor would be available for the suggested dates. Mr. King stated that the Mayor should have the opportunity to give directions on the Agency's programs and policies.
- Acting President Breed stated she agreed and though it was a good idea, and that she would communicate that to President Peterson.
- Commissioner Yee stated he recalled reading a staff memorandum about the Sixth Street corridor, specifically about the Façade Improvement Program, and in his opinion, the program did not seem successful because he recalled that there had only been two loans.

Acting Executive Director Sakai stated she believed there were over 50 participants in the Sixth Street Economic Revitalization Program, and the two that Commissioner Yee was referring to were non-profit organizations, after the Commission acted to revise the loan criteria to allow non-profit organizations to participate without matching funds. Ms. Sakai stated that staff could provide the Commission with the exact number of loan participants.

- Commissioner Yee stated that his recollection did not agree with Ms. Sakai's explanation, and would like a report back to the Commission on the number of participants in the loan program.
- Commissioner Yee inquired about a building at the corner of Sixth and Howard Streets, which was an eyesore to the community, and asked if staff had looked into that property.

Acting Executive Director Sakai stated that the Agency had approached the owner of the building a number of times, and the owner had also approached the Agency, but the owner had always asked for an amount that was much higher than what the Agency believed to be a fair market value based upon appraisals. Ms. Sakai stated that one of the reasons why the South of Market Plan Amendment should proceed was to have the ability to address such a building with the use of eminent domain.

- Commissioner Yee stated he agreed because the building was really an eyesore. Mr. Yee inquired about the Plaza Apartments project and requested verification that it was scheduled to open in October 2005.

Acting Executive Director Sakai stated that the Plaza Apartments was about one month behind, with a scheduled opening in November and occupancy in December 2005.

- Commissioner Yee asked if there were any other activities that staff was working on in the Sixth Street corridor, because he recently drove by the area and did not notice much improvement.

Acting Executive Director Sakai stated that the largest improvement on Sixth Street would probably be the completion of the street work, which was also scheduled to complete within the next few months. Ms. Sakai stated that once the street diversions and traffic start to flow again with the improved sidewalks, that would make a huge difference in the street's appearance.

- Commissioner Romero stated he wanted to express his regrets because he would not be able to attend the groundbreaking celebration for the Fillmore Heritage Center on October 11th, because he had an arbitration hearing scheduled for that day. Mr. Romero stated he really regretted not being able to attend on a very important project that the Commission had worked on for a long time. Mr. Romero asked his fellow Commissioners to sip a little champagne for him at the event.
- Acting President Breed stated that sometimes, the Commission seemed like it was beating up on staff at the Commission meetings, but the Commission knew how hard staff worked in trying to put the numerous proposals and projects together, and she appreciated the consistent effort that most of the staff made to work with the community continuously, and wanted to acknowledge the hard working staff.

10. CLOSED SESSION

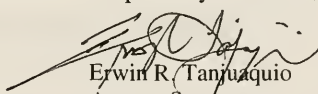
Closed Session item 10 (a) was cancelled.

- (a) Pursuant to Government Code Section 54956.8 to confer with the Agency's real property negotiators in connection with a potential development at 1746 Post Street, Assessor's Block 685, Lot 12, in the Western Addition Redevelopment Project Area A-2. The party with whom the Agency may negotiate is Shogakukan, Inc. Agency negotiators: Marcia Rosen, Joanne Sakai, Gaynell Armstrong, Penny Nakatsu, Tracie Reynolds, and Denise Blades.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:13 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

October 18, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
18TH DAY OF OCTOBER 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of October 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:04 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 4, 2005

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 4, 2005, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No.160-2005, Public hearing and approving a Disposition and Development Agreement with The Regents of the University of California, a California public corporation, for the development and financing of an affordable housing project; Mission Bay South Redevelopment Project Area

Executive Director Marcia Rosen stated that the item was a companion item to several items, which was not ready for the Commission's consideration. Ms. Rosen stated that the matter was on the agenda because it was noticed as a public hearing, and staff would recommend continuance until the November 1st Commission meeting.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO.160-2005, PUBLIC HEARING AND APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, FOR THE DEVELOPMENT AND FINANCING OF AN AFFORDABLE HOUSING PROJECT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE CONTINUED TO THE NOVEMBER 1, 2005 COMMISSION MEETING.

- 4 (c) Resolution No. 161-2005, Considering the Western Addition Citizens Advisory Committee's request for a First Amendment to the Grant Agreement with the San Francisco Juneteenth Committee to increase retroactively, the contract amount by \$13,807 to a total aggregate amount of \$138,807 to cover fundraising shortfalls related to its 2005 Juneteenth event, conditioned upon submission of supporting documentation; Western Addition Redevelopment Project Area A-2

Presenters: Gaynell Armstrong (Agency staff)

President Peterson stated that since Commissioner Breed had some association with the Juneteenth Festival, she would recuse herself from public discussion and voting on the matter.

Speakers: Mary Rogers, Terry Collins, Dexter Woods, Wade Woods, Kevin Jefferson, Rev. Arnold Townsend

Commissioner Covington asked if staff had received prior notice before the July 2005 notice that there would be cost overruns. Ms. Covington recalled testimony that there had been no previous cost overruns and requested verification.

Ms. Gaynell Armstrong, Project Manager, stated she believed that staff received the first notification in June 2005, when a letter was written to the Commission requesting the emergency funding. Ms. Armstrong stated she believed the gentleman stated that this was the first time they had requested funding to cover cost overruns from the Agency. Ms. Armstrong stated she was not sure if there had ever been any cost overruns for the event.

Executive Director Rosen stated that as the Commission was aware, the grant agreement with the Juneteenth Committee was on the third year of a three-year contract, and the contract was premised on a Request for Proposals that looked for proposals that would grow sustainability and would rely on diminishing funds from the Agency. Ms. Rosen stated that during the course of the three-year contract, there had not been a request from the Juneteenth Committee prior to the request before the Commission. Ms. Rosen stated that as to the Agency's prior support, the attached April 2003 memorandum mentioned that there had been 26 years of support for the Juneteenth Festival, but she did not know the nature of the support because it was probably different each year. When the Agency adopted its Purchasing Policy in the early 90's, it wanted to ensure that there was fair competition before the award of any contract. The current three-year contract was pursuant to the Agency's Purchasing Policy, and the Juneteenth Committee was selected through that competitive process. Ms. Rosen stated that she or staff could conduct additional research, if the Commission desired.

Commissioner Covington stated that would not be necessary. Ms. Covington stated that the Juneteenth Festival was an important celebration for the African-American community in San Francisco, and all of the feedback she had received through the years had all been positive. Ms. Covington stated that the event had peaceful celebration where turf disputes were put aside and that was the kind of atmosphere that should definitely be fostered in the community. Ms. Covington put forth a motion to adopt item 4 (c) and stated she wanted to say to the community that the Commission was also aware of the diminishing dollars that are available in granting organizations, which meant that the community would have to try harder and try to stay within their budget. Ms. Covington stated the Agency recognized the Committee's good work and urged them to get other groups to recognize their good work and provide funding.

Commissioner King seconded Commissioner Covington's motion to adopt item 4 (c). Mr. King stated that lately, it seemed like there were always

problems with African-American organizations in the Western Addition and he did not understand why there were so many questions about funding. Mr. King stated that the Juneteenth Committee had done a good job of revitalization the community and if it was not for their hard work, there would not be a jazz preservation district in Western Addition. Mr. King stated that Mrs. Mary Rogers and the rest of the community had done a good job and there should not be questions about funding the Juneteenth event. Mr. King stated that a lot of organizations including the Red Cross were having a hard time getting funding and the Juneteenth event should be funded without question. Mr. King stated that the Agency had caused the displacement of many people in Western Addition and there should be no question about funding the Juneteenth event because the Agency owed the Western Addition community more than any other community, because of the displacement of African-Americans.

Commissioner Singh stated he had attended and participated in the Juneteenth parade for the last five years and that it was a wonderful event. Mr. Singh stated he wholeheartedly supported the item.

President Peterson stated he would echo the sentiments of his fellow Commissioners and that he would personally pledge his support and help to see whether a better arrangement could be made with the Police Department's fees, because the double fees seemed unfair.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. BREED ABSTAINED) THAT ITEM 4 (c) RESOLUTION NO. 161-2005, CONSIDERING THE WESTERN ADDITION CITIZENS ADVISORY COMMITTEE'S REQUEST FOR A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH THE SAN FRANCISCO JUNETEENTH COMMITTEE TO INCREASE RETROACTIVELY, THE CONTRACT AMOUNT BY \$13,807 TO A TOTAL AGGREGATE AMOUNT OF \$138,807 TO COVER FUNDRAISING SHORTFALLS RELATED TO ITS 2005 JUNETEENTH EVENT, CONDITIONED UPON SUBMISSION OF SUPPORTING DOCUMENTATION; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (d) Resolution No. 162-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and approving the schematic design for Mission Bay open space parcels P18, P19, and P20 in the Mission Bay South Redevelopment Project Area pursuant to the Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay South Redevelopment Project Area

Presenters: Tom Evans (Agency staff), Cliff Lowe (Architect)

Commissioner Covington asked which agency would be responsible for the maintenance of the parks once they had been built.

Mr. Tom Evans, Lead Planner, stated that the City owned the parks and were leased to the Agency, which maintained the parks under a contract with MJM Management Group. Mr. Evans stated that funds for the maintenance of the parks came from a community facilities district for all of Mission Bay that provided long-term funding commitment for the maintenance of all the parks.

Commissioner Covington put forth a motion to adopt item 4 (d).
Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 162-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE SCHEMATIC DESIGN FOR MISSION BAY OPEN SPACE PARCELS P18, P19, AND P20 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e) Resolution No. 163-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and approving amendments to the Major Phase for Blocks 41 – 43 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Evan Rose (SMWM Architects)

Commissioner Romero thanked Ms. Amy Neches for the usual clear presentation, and stated that he was persuaded that the site was improved with the redesign. Mr. Romero put forth a motion to adopt item 4 (e).

Commissioner King asked if there had been a workshop on the proposal and if the developer was a new owner.

Ms. Amy Neches, Senior Project Manager, stated that over time, as permitted pursuant to the Owner Participation Agreement, Catellus had sold portions of its property for development. Ms. Neches stated that Alexandria Real Estate Equities was a developer of biotechnology and life sciences projects that worked in various markets throughout the country. For example, Catellus sold sites for residential development to Signature Properties, Avalon Bay Properties, and Bosa Properties, and they had also

sold sites for commercial development largely to Alexandria Real Estate Equities. Ms. Neches stated that Catellus remained involved as the development manager, but they were not developing the actual buildings.

Commissioner King stated that in other words, the Commission had no input in the sale of the sites to the new owner, and this was the first instance a proposal by the new owner had come before the Commission.

Executive Director Rosen stated she believed there had been numerous other items before the Commission for Alexandria Real Estate Equities, which was the owner of a lot of other properties in Mission Bay, and numerous other owners had developed property consistent with the Mission Bay Redevelopment Plan and Owner Participation Agreement, which the Commission authorized in 1998. Ms. Rosen stated that a Commission workshop was conducted the previous month on the cumulative development and status of all development in Mission Bay, the memorandum for which could be provided to the Commission. Ms. Rosen stated that the workshop presentation made clear the status of development, and who the owners were under the Owner Participation Agreement. Ms. Rosen stated the matter before the Commission was not a new item.

Commissioner King asked what the affirmative action program was for Alexandria Real Estate Equities.

Ms. Neches stated that Alexandria, like all of the other developers in Mission Bay, was bound by the Agency's Equal Opportunity Program, including goals for participation by minority and women-owned businesses.

Commissioner King asked if staff had a workforce breakdown for Alexandria.

Mr. George Bridges, Senior Contract Compliance Specialist, stated that he met with Alexandria in March 2005 to look for consultants for the major phase amendment that was before the Commission, and that Alexandria had exceeded the goals for this phase. Mr. Bridges stated he had a breakdown of the professional services consultants that Alexandria had used, but not for Alexandria itself.

Commissioner King asked staff to obtain the workforce breakdown for Alexandria Real Estate Equities.

Mr. Bridges stated that Alexandria's consultant team continued to exceed the Agency's goals, which were 20% for minorities and 18% for women-owned businesses.

Commissioner King asked how many African-Americans were employed by Alexandria.

Executive Director Rosen stated that staff would provide the Commission with the information, and reiterated that the entire Mission Bay development met the Agency's equal opportunity goals at every phase of development and by every owner.

President Peterson requested verification that Alexandria was bound by the Owner Participation Agreement that was approved between the Agency and Catellus.

Executive Director Rosen affirmed that Alexandria was bound by the Owner Participation Agreement that was approved between the Agency, City and Catellus.

President Peterson stated that Catellus could sell to whomever it wanted, but the new owners would be bound by the same agreement.

Commissioner King stated he had been on the Commission for many years and he had heard the same story many times and they may be bound by the agreement, but did not live by it.

Commissioner Covington stated she wanted to second the motion to adopt, but that she was also mindful of the concerns raised by Commissioner King. Ms. Covington asked if the item could be moved and adopted so that it did not have to come back to the Commission on the basis of the workforce breakdown ensuring that the Agency's goals had been met. Ms. Covington stated that was all Commissioner King was asking for, that the new owner was in compliance and the workforce numbers were in fact there.

Ms. Rosen stated that she could respond affirmatively to Commissioner King's question, because like in other Agency projects, the Agency's contract compliance staff ensured that the proposals before the Commission were consistent with the Agency's policies and legal obligations. Mr. Bridges was the contract compliance officer assigned to Mission Bay and worked on every element of the Mission Bay project to ensure compliance, and he did report to the Commission that Alexandria was in compliance with all of their contractual obligations. Ms. Rosen stated that generally, staff would state they were in compliance or not, and staff would not bring a proposal to the Commission without indicating a problem, if there were a problem. Ms. Rosen stated that Commissioner King was requesting a breakdown of statistical information, which staff would provide. The question of their compliance had been answered affirmatively by the Agency's contract compliance staff. Ms. Rosen stated there was not really a

basis for a delay because they had met those standards. Staff could provide the additional backup information as Commissioner King had requested.

Commissioner Covington stated she would second Commissioner Romero's motion to adopt item 4 (e), and requested that at the next Commission meeting, for staff to present the workforce breakdown in open public session and not through an informational memorandum.

Ms. Rosen stated that staff would present the requested information at the next Commission meeting.

Commissioner Romero stated that he had been on the Commission since Catellus was selected as the primary developer for Mission Bay and that all of the information requested had been previously provided to the Commission. Mr. Romero stated that Mission Bay was one of the largest project areas and had been progressively developed parcel by parcel during a year-long period of time or more, and the sale and transfer of parcels for housing development, the University of California project, biotech industries, and parcels sold to private development entities with all of its complexities, was really hard to keep up with. Mr. Romero stated that all of this information had been provided to the Commission, and he wanted to make clear that he was certain that staff was not hiding information from the Commission, or trying to mislead the Commission or anything like that. Mr. Romero stated that to him, the matter before the Commission was a routine matter, and he did not understand the controversy because the proposal made sense to him and that he was persuaded that it was a good thing to do. Mr. Romero stated he was in total agreement that the Agency should always be vigilant about contract compliance requirements, and every time there had been questions, it had been shown that staff had made sure that the people that did business with the Agency had complied with the legal obligations required in the transaction with Catellus to begin with. Mr. Romero stated he had no problem with requesting additional information, but wanted to assure the Commissioners that as they would find out, that the legal standards that had been established had already been met. Mr. Romero stated he hoped that the Commission would approve the item.

Commissioner Breed stated she understood Commissioner Romero's explanation of the legalities of the matter, but she also agreed with Commissioner King's concerns, and since the matter had been brought up, she also shared the same concerns because she had driven by the project area and had heard from others that there were not a lot of African-Americans involved in the project. Ms. Breed stated that when she took a tour of the Mission Bay, she recalled seeing only one African-American, and that legalities and what people saw were not always the same thing. Ms. Breed stated that for Mission Bay and other project areas, she would be interested in obtaining actual workforce numbers for each consultant,

contractor, including construction contracts that were involved in the project. Ms. Breed stated that there were millions if not billions of dollars involved in the Mission Bay project and yet, people from the African-American community were not involved. Ms. Breed stated she would also like to know how many of the people employed in the Mission Bay project were San Francisco residents. Ms. Breed stated she understood that staff had worked hard and the importance of moving the project forward, but that she would like the workforce information requested to be included for future Mission Bay development projects.

Executive Director Rosen stated she would be happy to provide the information.

Commissioner King stated he recalled that in the past, Mr. Chris Iglesias, the former Contract Compliance Manager, used to provide the Commission with a summary of the workforce breakdown for every project that came before the Commission. Mr. King stated he would request that staff provide the workforce breakdown for every project. Mr. King stated he was a little worried about the Mission Bay project even though they met the legal requirements for other minorities and women, because there were very few African-Americans involved.

Commissioner Covington stated she wanted to make it very clear to Commissioner Romero, who was trying to assure her that staff was not hiding anything or misleading the Commission, that was not what she was thinking at all. Ms. Covington stated that as a Commissioner, she wanted staff to know that she appreciated their efforts, and that she did not think that there was any collusion on their part to hide or mislead the Commission. Ms. Covington stated that the Commission received hundreds of pages of information that they had to read through in preparation for the Commission meetings, and two more pages of information that included a breakdown of the equal opportunity goals and how they had been met, would suffice.

Commissioner Singh stated that he remembered in the past that the workforce breakdown had been included in the memoranda, and would request that such breakdown be included for all future projects.

Commissioner Romero stated that maybe, what the Commission needed was a report or a workshop specifically on what was required in Mission Bay in terms of equal opportunity goals and what had been accomplished thus far, because he felt confident that the Agency had done a successful job in that regard. Mr. Romero stated that he had driven along Third Street at least 200 times and he recalled seeing people working only five times on the construction, and it seemed like there was intense activity for a while and then there was a slow-down, and based upon what he had seen, it would also make him wonder. Mr. Romero stated there was a need to look at the hard

figures and that he put a lot of trust on the Agency staff because he had seen the contract compliance staff work very hard through the years, and virtually every time there were questions, the staff worked very hard to make sure that the Agency's goals that the Commission had established were being met. Mr. Romero stated that a workshop would be helpful especially for new Commissioners who had not seen the compliance test met by the Agency's contract compliance staff. Mr. Romero suggested that either a comprehensive report be provided or a workshop specifically on the subject so that everyone could get the big picture.

President Peterson stated he agreed and requested staff to provide the workforce breakdown numbers.

Commissioner Yee stated he would suggest that staff provide the information requested by Commissioner King in order to avoid the unnecessary arguments, because the Commission had already established the policy a long time ago that all projects must be in compliance with the Agency's equal opportunity policies. Mr. Yee stated that it was a simple matter for staff to include in their presentation, a statement that the developer or consultant had complied with the Agency's equal opportunity policies. Mr. Yee stated that if Commissioner King had not asked about the matter, he certainly would have because he paid attention to such matters. Mr. Yee stated he would request staff to include the contract compliance information from that point forward for all projects that come before the Commission.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 163-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING AMENDMENTS TO THE MAJOR PHASE FOR BLOCKS 41 – 43 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 164-2005, Authorizing a Personal Services Contract in an amount not to exceed \$370,000 with the Private Industry Council of San Francisco, Inc., a California nonprofit public benefit corporation, from November 1, 2005 to October 31, 2007, to administer an employment and training services contract with Mission Hiring Hall, Inc. through its South of Market Employment Center; Yerba Buena Center Redevelopment Project Area

Presenters: Isabella Wong (Agency staff), Patrick Mitchell (SOMECE)

Speakers: Andrew Bryant, Jim Salinas Sr., Herbert Lee, Rev. Arnold Townsend, April Veneracion, Chris Durazo, Charlie Walker, Charles Range, Michael Nulty

Commissioner Romero stated it was his pleasure to put forth a motion to adopt item 4 (f). Mr. Romero stated this was a perfect example of the Agency's diligence in assuring that not only minorities and women, but also local San Francisco residents get the benefits from major development projects such as Bloomingdale's, where staff negotiated a transaction that had certain guarantees and what the Commission was approving would ensure that those guarantees would be met. Mr. Romero stated there were tremendous efforts that had gone into the deal and he applauded all of the community agencies, especially Mission Hiring Hall who had a proven track record with the Agency. Mr. Romero stated that in comparison to the Mission Bay project, the Agency's authority was limited by the Redevelopment Law and although the Agency could negotiate with property owners, the Agency could not stop who they sell property to, and what the Agency could do was to guarantee that the new owner had to reach the same requirements as the old owner.

Commissioner Breed inquired about the requirement of no education above a high school diploma or certified equivalency and asked if there were plans to remove such requirement, and if the community-based organizations including Ella Hill Hutch and Young Community Developers had asked that the requirement be removed.

Executive Director Rosen stated she believed that Commissioner Breed was speaking of the definition of entry-level jobs contained in the First Source Hiring Ordinance adopted by the Board of Supervisors. Ms. Rosen stated that the developer was obligated to comply with the Agency's policies, which were imposed in the Owner Participation/ Disposition and Development Agreements, which was a goal of 50% local hire with the first consideration for South of Market residents, and that was for all the permanent jobs. In addition, as a subset of that, the developer had agreed to comply with the City's First Source Hiring Ordinance, which was designed to be entry-level jobs that had no barriers to employment, so they would be the kinds of jobs that did not require the education.

Commissioner Breed asked if trainees in the program would be paid and asked for an explanation of the stipends. Ms. Breed requested clarification on the specific training targeted to specific service providers, such as customer service training provided by Young Community Developers, and asked if that specific type of training would only be provided by Young Community Developers.

Ms. Isabella Wong, Development Specialist, stated that the trainees in the program would not be paid, but there would be stipends available to pay for meals and transportation costs to the trainees. Ms. Wong stated that the specific type of training like customer service training would not be limited to Young Community Developers, because after the trainees graduate, they could be referred to the Bloomingdale's project.

Executive Director Rosen stated that the community partners already had training programs related to the hiring goals, and in addition, they would be likely access points to take the people who had already gone through the training program through the referral process. Mission Hiring Hall would additionally conduct the training as described in the memorandum. Ms. Rosen stated that the idea was to take advantage of the training already provided by other community-based organizations and feed those trainees into the referral system and also do additional training and refer people that come through Mission Hiring Hall to the training opportunities that exist in the community.

Commissioner Breed requested verification that the Private Industry Council would be administering the contract with Mission Hiring Hall for \$17,620.

Ms. Wong affirmed that the Private Industry Council would be administering the contract with Mission Hiring Hall for \$17,620.

Commissioner Breed seconded Commissioner Romero's motion to adopt item 4 (f).

Commissioner Singh stated he strongly supported the proposed contract and that Mission Hiring Hall had done a good job. Mr. Singh asked where Mr. Don Marcos was, because he did not see him in the meeting.

Ms. Wong stated that Mr. Don Marcos was out of town on an emergency family leave.

Commissioner Singh stated he also wanted to recognize Mr. Chris Iglesias, the former Agency Contract Compliance Manager, for the good work he had done for the Agency. Mr. Singh asked for applause to thank Mr. Iglesias. (The audience complied.)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 164-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED \$370,000 WITH THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FROM NOVEMBER 1, 2005 TO OCTOBER 31, 2007,

TO ADMINISTER AN EMPLOYMENT AND TRAINING SERVICES CONTRACT WITH MISSION HIRING HALL, INC. THROUGH ITS SOUTH OF MARKET EMPLOYMENT CENTER; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 165-2005, Authorizing a 10-year lease with PJR LLC, a California limited liability company, doing business as Samovar Tea Lounge, for 1,954 square feet in the West Café in Yerba Buena Gardens; Yerba Buena Center Redevelopment Project Area

Presenters: Tracie Reynolds (Agency staff)

Commissioner Yee stated that he recognized that the location was not very good and the previous tenants were not successful, and the Agency had invested and lost a lot of money on the retail spaces. Mr. Yee stated that he understood the proposed rent structure, which amounted to less than a dollar per square foot, because of the circumstances with the space. Mr. Yee inquired about the background of the proposed tenant and asked if staff was confident that the tenant would not fail.

Ms. Tracie Reynolds, Development Services Manager, stated that Samovar Tea Lounge had an existing operation located on 18th and Sanchez Streets, and it had been open for about two or three years. Ms. Reynolds stated that from accounts of some Agency staff who had visited the place, they were very successful at that location, which was not a regular retail location, but it had developed into a neighborhood destination, where people actually made the efforts to go there, and their success at that location was allowing them to expand into the Yerba Buena Gardens.

Commissioner Yee asked how much security deposit would be provided by the tenant. Mr. Yee requested verification that the lease would start in March 2006. Mr. Yee asked if the Agency had to pay the real estate commission to the leasing agent.

Ms. Reynolds stated that the tenant was required to provide two months rent for security deposit under the lease terms. Ms. Reynolds stated that the 10-year lease term would start when the rent begins on March 1, 2006, but the Agency was giving them a build-out period, with lease commencing sooner to allow them to do the build-out, but the rent would not take effect until March 1, 2006. Ms. Reynolds stated that the Agency had a personal services contract with a retail broker, which the Commission authorized, in the amount of \$50,000 for both retail spaces, so there would be no real estate commissions for leasing the spaces.

Commissioner Yee stated that he had been in the real estate business for a long time, and recalled that his first venture was a restaurant where he lost his money, and stated that the restaurant business was a very tough business

because the banks would not give any credit. Mr. Yee stated he would not make a motion to adopt the item, but would support the proposed lease if his fellow Commissioners supported it.

Commissioner Romero stated he would be happy to put forth a motion to adopt item 4 (g) because the Agency had difficulty in leasing the space, and he was happy to see that staff had negotiate a lease with Samovar Tea Lounge. Mr. Romero stated he believed that the retail spaces had been vacant for at least two years, and wished the new tenant success.

Commissioner Covington asked what the name of the establishment at 18th and Sanchez Streets was.

Ms. Reynolds stated she believed that the establishment at 18th and Sanchez Streets had the same name, Samovar Tea Lounge.

Commissioner Covington stated that tea lounges were becoming popular in the City and that was very good to see. Ms. Covington stated she would second the motion, but she would also encourage staff to really figure out a way of letting pedestrians as well as people in automobiles that traverse Fourth and Howard Streets, know that there were businesses in those spaces. Ms. Covington stated that the spaces had been vacant for a long time and the for lease sign was bigger than the signs for the restaurants, and urged staff to make the signs for the businesses that went into the Agency's spaces, at least as large as the for lease sign.

Commissioner Singh asked what kind of food, other than tea, would be served by the tenant.

Ms. Reynolds stated that the tea lounge would serve light international faire, which would a fusion of different foods from around the world.

Commissioner Singh asked if they would be serving Indian food.

Mr. Robert Sandler of Samovar Tea Lounge stated that they served naan and raita, along with a variety of international foods including pot stickers.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 165-2005, AUTHORIZING A 10-YEAR LEASE WITH PJR LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, DOING BUSINESS AS SAMOVAR TEA LOUNGE, FOR 1,954 SQUARE FEET IN THE WEST CAFÉ IN YERBA BUENA GARDENS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h) through 4 (n) were presented together and acted upon separately.

- 4 (h)** Resolution No. 166-2005, Adopting environmental findings and statement of overriding considerations, which includes mitigation monitoring and reporting program, pursuant to the California Environmental Quality Act for the Mid-Market Redevelopment Plan and related documents and actions; Mid-Market Redevelopment Survey Area
- 4 (i)** Resolution No. 167-2005, Approving the Report on the Redevelopment Plan for the Mid-Market Redevelopment Project and authorizing transmittal to the Board of Supervisors of the City and County of San Francisco; Mid-Market Redevelopment Survey Area
- 4 (j)** Resolution No. 168-2005, Approving the proposed Redevelopment Plan for the Mid-Market Redevelopment Project Area and recommending its adoption by the Board of Supervisors of the City and County of San Francisco; Mid-Market Redevelopment Survey Area
- 4 (k)** Resolution No. 169-2005, Adopting rules governing participation by property owners and the extension of reasonable preferences to business occupants in the Mid-Market Redevelopment Project Area; Mid-Market Redevelopment Survey Area
- 4 (l)** Resolution No. 170-2005, Approving the Mid-Market Redevelopment Project Delegation Agreement between the City and County of San Francisco and the Agency; Mid-Market Redevelopment Survey Area
- 4 (m)** Resolution No. 171-2005, Recommending that the Board of Supervisors adopt the Mid-Market Special Use District as part of its adoption of the Mid-Market Redevelopment Plan; Mid-Market Redevelopment Survey Area
- 4 (n)** Resolution No. 172-2005, Commending the Mid-Market Project Area Committee; Mid-Market Redevelopment Survey Area

Presenters: Mike Grisso (Agency staff)

President Peterson informed the public that in order to provide opportunity to all who wished to testify, remarks would be limited to two minutes per speaker.

Speakers: Rudy Corpuz, Michele Grant, Marcus Phillips, Joseph McNerney, Kevin Grate, Karl Olson, Bruce Allison, John Nulty, Michael Nulty, Tom Hart, Susan Bryan, James Haas, Anthony Faber, Jazzie Collins, Carolyn Diamond, Lynn Valente, Charles Nagele, Debra Hunter, April Veneracion, Chris Durazo, June Parina, Angelica Cabande, Judith Baker, Lisa Juachon, Andrew

Bryant, Jim Salina Sr., Laurie Lazer, Eric Tao, Kathleen Diohep, Byron Yee, Ken Hoffman, Kaye Griffin, John Avalos, Robert McCarthy

Commissioner Romero stated that the Commission was considering items 4 (h) through 4 (n), and put forth a motion to adopt item 4 (h). Mr. Romero thanked Mr. Mike Grisso for his presentation and also the hard work of Ms. Lisa Zayas-Chien on the Mid-Market project. Mr. Romero stated that one of the most difficult things to do as a Commissioner was to make everyone happy every time, and he was certain that the objections heard were also heard at the over 200 Project Area Committee (PAC), sub-committee, and community workshops and meetings for Mid-Market. Mr. Romero stated that it was difficult to vote in a way that was contrary to the sentiments of a particular interest that he had always been supportive of. For example, for every project that had come before the Commission involving supporting the Filipino-American community in the South of Market, he would challenge anyone to find a more ardent supporter of the Filipino-American community on projects like the Delta Hotel, the Bayanihan Center and more recently, the Bindlestiff Studio. Mr. Romero stated he recalled the passionate battle a few years ago on Bindlestiff Studio where Supervisor Daly witnessed the testimony and debate at the Commission. Mr. Romero stated he heard the testimony from the Filipino-American community that the proposed Mid-Market Redevelopment Plan would be harmful to their community, but he made the motion to adopt the items and vote for them, because he did not think that the proposed plan would be harmful to the Filipino-American community, and that overall, the proposed plan would be very beneficial to the City. Mr. Romero stated that the planning for Mid-Market had been going on for 10 years and had full public vetting, but it was important to realize for those opposing the proposed plan, that the planning would probably go on for another 10 years. Mr. Romero stated the proposed plan was an overall plan for Mid-Market, and every development project that the Commission would be considering in the future would have the same public vetting as the proposed plan, at the PAC, Commission and Board of Supervisors levels. Mr. Romero stated that the proposed redevelopment plan deserved the support of the Commission.

Commissioner Singh asked how many buildings were planned to be acquired with eminent domain. Mr. Singh asked if there were any plans for grocery store within the Mid-Market area.

Executive Director Rosen stated that Mr. Mike Grisso had outlined the very limited circumstances in which eminent domain would be used and referred to page 24 of the proposed redevelopment plan, which outlined those limited circumstances. Ms. Rosen stated that the Agency would consult with the Mid-Market PAC before making any recommendation to the Commission, but there were no plans currently, to acquire property with the use of

eminent domain. Ms. Rosen stated that there were no specific plans for a grocery store within Mid-Market.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (h).

Commissioner King stated he was against the proposed redevelopment plan and the use of eminent domain. Mr. King stated he heard very clearly the opposition from representatives of the Filipino-American community, and he had seen many areas ruined because of eminent domain. Mr. King stated he himself was a victim of eminent domain and had to move to East Palo Alto for eight years and he had seen the displacement of African-Americans in Hunters Point and Western Addition because of eminent domain. Mr. King stated he would vote against the proposed plan and that it should be sent back and revised to address the issues raised by the people that lived in the community.

Commissioner Yee stated he would ask staff when presenting before the Commission, to keep within the estimated time limit, because some of the people began to leave the meeting due to the length of the staff presentation. Mr. Yee stated that Mr. Mike Grisso's presentation was excellent, but it went beyond the estimated time. Mr. Yee stated he recalled statements that the proposed plan had met everyone's needs, but that could not be true because of the number of people opposing the proposed plan, and what should have been stated was that the proposed plan had met the needs of the majority of people concerned. Mr. Yee stated that he would like to commend the hard work and outstanding job of the PAC for coming up with a very good plan, but that the proposed plan was not a perfect plan, and it should address the concerns of the majority. Mr. Yee stated that he had not quite made up his mind yet if he would support the proposed plan.

Commissioner Covington asked staff to detail the outreach efforts in terms of publicizing the meetings not only to the PAC, but also the broader community.

Mr. Mike Grisso, Project Manager, stated that he would like to ask the PAC staff to respond, but the outreach was primarily done with mass mailings to all property owners and residents within the Mid-Market area.

Ms. Carolyn Diamond stated that they maintained a mailing list of over 300 people who were sent notices addressed specifically to them and not as occupants. Ms. Diamond stated that the meeting notices were done through direct mailing including an e-mail listing of over 100 people, and the PAC had also published 15 newsletters providing information about the proposed plan as well as PAC meetings and workshops every second Wednesday of every month. Ms. Diamond stated that over 18,000 newsletters had been

published with the last two published in four different languages, and the PAC maintained a website where people could visit and provide comments, access PAC meeting minutes and learn about the planning process in Mid-Market. Ms. Diamond stated that the PAC also provided notices in the District 6 Yahoo Group, which reached 1,800 subscribers, and in the Central City newspaper, as well as public meeting notices in the San Francisco Independent.

Commissioner Covington stated that there were 300 people on the mailing list and 100 people on the e-mail list, and asked if there were not thousands of people that lived within the Mid-Market area.

Ms. Diamond stated she was not certain about the number of people that lived in Mid-Market, but the 300 people in the mailing list received notices from the PAC every month, and the Agency did the mass-mailings for the large area-wide community and town hall meetings, which included thousands.

Commissioner Covington stated her concern was that the people who spoke in opposition to the proposed plan were grass-roots people, and the outreach efforts through the District 6 Yahoo Group did not seem effective because that may not be that accessible, but that the newsletter was good. Ms. Covington stated that her concern was that somehow the mailing for the Commission meeting reached people and interested them enough to turn out for the meeting, but at the same time, there were very dedicated citizen members of the PAC who had been working very hard for 10 years coming up with the proposed plan, and it seemed like people who lived next to each other were not communicating about important things that affect the community. Ms. Covington stated it was a very difficult decision to make when people had spoken so eloquently about their opposition to the proposed plan, but at the same time she had deference to the people that had been meeting and working very hard for the last 10 years, and it would be disrespectful of their time and efforts.

Ms. Diamond stated that the length of the planning process in Mid-Market made it difficult to keep people's interest and as a result, many people who had been involved earlier on had now moved on. Ms. Diamond stated that the PAC had met with many groups from the surrounding neighborhoods and at one time, there was a Filipino-American member of the PAC for several years, but she no longer had the time to devote to the planning work. Ms. Diamond stated that the outreach had been constant, but there also had been numerous influx of new people who had not known about the proposed plan, and it did not mean that the outreach was not consistent and comprehensive.

Commissioner Covington stated she knew that public involvement was exhausting and that new people were coming all the time, but somehow a critical group of people were missed in the outreach efforts. Ms. Covington stated she would support the proposed plan because the area did need to change, and that Market Street was San Francisco's Champs-Élysées, and the City's major thoroughfare should not be in the condition it had been, because it said to people that the City did not care about the conditions in which people lived in the area. Ms. Covington stated that she cared very much about the area and the people who live in it, and that most people really wanted the same thing, the same quality of life and a livable environment, with neighborhood business as well as art and culture, which were sorely lacking in the Mid-Market community. Ms. Covington stated she would vote for the proposed plan, but she would like to see Mr. Grisso come before the Commission next time and tell the Commission of how the concerns of particularly the Filipino-American community, would be integrated into the Mid-Market Redevelopment Plan.

Commissioner Breed inquired about the adult entertainment establishments in the area and asked if they would remain and how the proposed redevelopment plan addressed the uses.

Mr. Grisso stated the Special Use District for Mid-Market prohibited new adult entertainment uses.

Commissioner Breed stated that as a youngster, she used to see movies at the St. Francis Theater and frequented the area for shopping, and the conditions in the area had worsened. Ms. Breed stated she was glad to be a part of the changes that would revitalize the neighborhood, but also understood the community's concerns, which she took very seriously, and it was very difficult to please everyone. Ms. Breed stated that the proposed plan was not perfect and it had issues, but there would be opportunity for the public to voice their concerns when the Board of Supervisors considered it. Ms. Breed stated that 10 years was a long time to be working on a redevelopment plan and it was surprising to see the consensus that had been reached. Ms. Breed stated that as a manager of an arts and cultural institution, she recognized the importance of supporting and maintaining the existing arts and culture facilities in Mid-Market, and it was important for the Agency to provide support to such organizations. Ms. Breed stated she would recommend that the concerns that had been raised be communicated to the Board of Supervisors, and encouraged strong implementation of an equal opportunity program for the Mid-Market community. Ms. Breed stated that like her fellow Commissioners, she was overwhelmed with the public's testimony, and urged their continued involvement especially with the Board of Supervisors, but that the Agency should move forward with the proposed redevelopment plan. Ms. Breed stated she would support the

proposed plan and hoped that the Commission would be kept informed of how the community's concerns would be addressed throughout the process.

President Peterson stated he thought the proposed redevelopment plan was generally a positive plan and represented a positive step for the City. Mr. Peterson stated that he would encourage the people with concerns to remain involved throughout the regulatory and legislative process.

Commissioner King stated he was opposed to the proposed plan, and the ten years of work was not a big issue because it took over 20 years in the Western Addition and a redevelopment plan was yet to be adopted in Hunters Point. Mr. King stated he would vote against the plan.

Commissioner Yee stated he believed that the proposed plan was a very good plan, but like Commissioner King, he was concerned that the voice of the community, particularly the Filipino-American community, had not been heard. Mr. Yee stated that hopefully, when the Board of Supervisors considered the plan, it would make the necessary changes to address the community's concerns. Mr. Yee requested verification that there would be other opportunities for public participation as the plan moved through the approval process.

Executive Director Rosen stated that the Board of Supervisors had the final say on the approval of the redevelopment plan, but there would be ample opportunity for public participation at public hearings before the Board of Supervisors' Land Use Committee and Finance and Budget Committees, as well as before the full Board of Supervisors. Ms. Rosen stated that most of the concerns that had been raised were already addressed in the proposed redevelopment plan, including employment and economic development opportunities for economically disadvantaged people both in Mid-Market and lower-income residents in the adjoining neighborhoods. The other issues that were not addressed specifically in the proposed redevelopment plan would be addressed in the Special Use District, which as a planning code overlay district was under the jurisdiction of the Planning Commission and Board of Supervisors. Some of the issues about inclusionary housing for private development would be addressed in the Special Use District. Ms. Rosen stated that with regard to the arts and culture component, she already had discussions with both the directors of the Arts Commission and the Hotel Grants for the Arts on the necessity to develop a coordinated art planning policy to ensure that the arts and culture investments meet the priorities by the arts experts. Ms. Rosen stated that this and other policies would be implemented following adoption of the redevelopment plan. Ms. Rosen stated she would assure the Commission that the Agency would continue to work with interested stakeholders in the community.

Commissioner Yee stated he thought that there would be opportunities for public involvement, but the desired changes by the community may not happen, and since the work on the proposed plan had taken 10 years, why not take the additional time to address the community's concerns and delay the adoption of the proposed plan in order to satisfy most of the concerns. Mr. Yee stated that as the Commission saw, a representative from Supervisor Daly's office came and addressed the Commission and stated the Supervisor's opposition to the proposed plan, and thought that it might be better to resolve some of the issues to address the community's concerns before the plan went to the Board of Supervisors. Mr. Yee stated that although he liked the proposed plan, he was not completely satisfied because of the opposition raised by the community. Mr. Yee stated that he and Commissioner King were supportive of the Filipino-American community and its concerns and suggested that the adoption of the plan be delayed.

Executive Director Rosen stated that the General Counsel reminded her that if the Board of Supervisors made changes to the proposed redevelopment plan, the proposed changes would have to come back to the Agency Commission for consideration.

Commissioner Yee requested verification that if the Board of Supervisors did not make changes to the proposed plan and approved it as proposed, the proposed plan would not have to come back to the Agency Commission.

Executive Director Rosen stated that Commissioner Yee was correct.

Commissioner Romero suggested that the Commission Secretary conduct a roll call vote.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (h) RESOLUTION NO. 166-2005, ADOPTING ENVIRONMENTAL FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS, WHICH INCLUDES MITIGATION MONITORING AND REPORTING PROGRAM, PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE MID-MARKET REDEVELOPMENT PLAN AND RELATED DOCUMENTS AND ACTIONS; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 166-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (i) RESOLUTION NO. 167-2005, APPROVING THE REPORT ON THE REDEVELOPMENT PLAN FOR THE MID-MARKET REDEVELOPMENT PROJECT AND AUTHORIZING TRANSMITTAL TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 167-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (j) RESOLUTION NO. 168-2005, APPROVING THE PROPOSED REDEVELOPMENT PLAN FOR THE MID-MARKET REDEVELOPMENT PROJECT AREA AND RECOMMENDING ITS ADOPTION BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 168-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (k) RESOLUTION NO. 169-2005, ADOPTING RULES GOVERNING PARTICIPATION BY PROPERTY OWNERS AND THE EXTENSION OF REASONABLE PREFERENCES TO BUSINESS OCCUPANTS IN THE MID-MARKET REDEVELOPMENT PROJECT AREA; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 169-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (l) RESOLUTION NO. 170-2005, APPROVING THE MID-MARKET REDEVELOPMENT PROJECT DELEGATION AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE AGENCY; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 170-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (m) RESOLUTION NO. 171-2005, RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT THE MID-MARKET SPECIAL USE DISTRICT AS PART OF ITS ADOPTION OF THE MID-MARKET REDEVELOPMENT PLAN; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 171-2005 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (n) RESOLUTION NO. 172-2005, COMMENDING THE MID-MARKET PROJECT AREA COMMITTEE; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 172-2005 WAS ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.
6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS
 - Mary Rogers, Luisa Ezquerro, Larry Del Carlo, Gloria Ramos, Robert J. Zerrilla, Rick Devine, Rosario Anaya, Viola Maestas, Victor Traycey, Michael Nulty, Angelo King, Dan Dodt, Michael Hamman, Ellen Hayes, Charlie Walker, Al Norman, Toby Levine
7. REPORT OF THE PRESIDENT
 - President Peterson stated that because of the lateness of the hour, he would forego his report.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated that the Agency just received word earlier in the day of Mayor Newsom's State of the City Address on Wednesday, October 26th at 1:00 p.m. at the McKenna Theater at the San Francisco State University.
- Executive Director Rosen stated she would skip the rest of her report in the interest of time.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner King stated he recalled that when he was appointed to the Agency Commission by former Mayor Dianne Feinstein in 1980, she had asked him to ensure that the Western Addition and Hunters Point communities were taken care of. Mr. King stated that he recalled speaking with Mr. Alex Pitcher 17 years ago, and that the Redevelopment Agency was asked to come in to the Bayview community to help revitalize the neighborhood, when for many years the community did not want the Redevelopment Agency because of what it did to the Western Addition community. Mr. King stated he met with Mr. Pitcher and the community for five years to persuade the community to allow the Agency to come and help improve the neighborhood, and now realized that he made the biggest mistake by supporting the idea of the Redevelopment Agency coming into the Bayview community. Mr. King stated he could not believe what he heard from the members of the Bayview Hunters Point PAC, that the Agency had not been responsive and cooperative and had delayed the adoption of the redevelopment plan amendment. Mr. King stated that the Commission earlier adopted the Mid-Market redevelopment plan, while the Agency staff had delayed the Bayview Hunters Point plan amendment. Mr. King stated he thought that a plan had been adopted for Bayview eight years ago and recalled a community meeting at the Bayview Opera House.

Executive Director Rosen stated she believed that Commission King was referring to the Bayview Concept Plan, which was adopted in 2000.

- Commissioner King stated he was certain that a plan had been adopted eight years ago, and it seemed like the African-American community was once again, being denied the opportunity to improve their neighborhood. Mr. King stated that in addition, the Commission heard testimony regarding the Central Freeway Parcel C and Mission Housing Development Corporation, when he thought that the matter had been resolved and did not understand why the matter was scheduled for closed session, and it was clear that the staff was not paying attention to

the Commission's directions. Mr. King stated the other Commissioners just adopted the Mid-Market plan, while nothing was being done for Mission Housing Development Corporation and the Hunters Point community in adopting a redevelopment plan. Mr. King stated it was a shame to hear that the Bayview plan amendment had been continually delayed by the Agency.

- Commissioner Yee stated that as a follow-up to Commissioner King's comments, he would request staff to provide an update on the redevelopment plan adoption for Bayview. Mr. Yee inquired about the newly constructed International Hotel at Jackson and Kearny Streets and asked if staff knew anything about the development.

Executive Director Rosen stated that all staff knew was that the International Hotel had opened and there was a grand opening celebration, and they were in the process of renting the units.

- Commissioner Yee stated that President Peterson had provided some dates for the Commission retreat, but the Commissioners should spend a little time to discuss the schedule to confirm everyone's availability.
- Commissioner Breed stated she echoed and supported Commissioner King's concerns about Bayview, in light of the high homicide rate in both the Western Addition and Hunters Point communities. Ms. Breed stated she knew that the Agency was not the problem-solver for everything, but she wanted to make sure that the Agency did its part in addressing the PAC's concerns, and she would request an update on the status of the redevelopment plan amendment adoption with more discussion on the matter. Ms. Breed stated she would request staff to seriously look into the proposal from Mr. Charlie Walker for a golf driving range and to meet with him to determine the feasibility and if the Agency could provide assistance. Ms. Breed stated that from her personal experience, Mr. Walker had always been very supportive of members of the community, and she would like his proposal to be looked at seriously.
- President Peterson echoed his fellow Commissioners' request for an update on the status of the Bayview Hunters Point redevelopment plan amendment.
- Commissioner Romero stated that he would also like to see an update, and staff should provide a response to the issues raised by the Bayview PAC, and thanked members of the PAC for their well-thought out remarks. Mr. Romero stated that members of the Bayview PAC had always been cordial and cooperative, but it was obvious that their concerns had welled-up to the point where there were now more serious

concerns. Mr. Romero stated that members of the Bayview PAC had been very patient with the planning process and their concerns deserved to be responded to.

- Commissioner Covington stated she would definitely like to have an update on the Bayview redevelopment plan amendment, but not in an informational memorandum format. Ms. Covington requested that the matter be calendared as an agenda item at the next Commission meeting. Ms. Covington reminded that it was her suggestion to have a Commission retreat and she had been working with the Commission President, and as soon as the Commissioners agreed on a date and coordinated the Mayor's schedule, a retreat would take place. Ms. Covington reported that she and President Peterson had met earlier in the day, and she recalled asking about the Bayview Hunters Point, and it was interesting that members of the Bayview PAC came to the meeting to address the Commission about the redevelopment plan amendment. Ms. Covington stated that even though the Commission had a very long meeting, she did not want people to forget the wonderful event for the groundbreaking of the Fillmore Heritage Center and Yoshi's at Fillmore and Eddy that took place on October 11th. Ms. Covington stated that it was a festive and heartwarming event with over 800 people in attendance, and Commissioner King was recognized for his many years of community service and received an award.
- Commissioner Singh stated he wanted to echo his fellow Commissioners' comments on the Bayview Hunters Point redevelopment plan amendment and would also like an update. Mr. Singh stated he wanted to give his full support for Mission Housing Development Corporation. Mr. Singh stated that unfortunately, he could not stay for the remainder of the meeting.


10. CLOSED SESSION

- (a) Pursuant to Government Code Section § 54956.8 to confer with the Agency's real property negotiators in connection with the negotiations with Mission Housing Development Corporation, a California nonprofit public benefit corporation, regarding Central Freeway Parcel C, Assessor's Block 768, Lot 13; Western Addition Redevelopment Project Area A-2. Agency negotiators: Marcia Rosen, Olson Lee, James B. Morales, Gaynell Armstrong, Heidi Gewertz, Kate Hartley, and Tiffany Bohee.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 10:44 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

November 1, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
1ST DAY OF NOVEMBER 2005

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of November 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

President Peterson called for a moment of silence to reflect, commemorate and celebrate the passing of Rosa Parks, and asked if Commissioners would like to make remarks.

Commissioner King stated he was very fortunate to have met Ms. Rosa Parks and recalled that a school across St. Francis Square was named after her. Mr. King stated that his grandson went to that school and at five years old, he learned a valuable lesson about equality. Mr. King stated that Ms. Parks was a lovely lady and he wanted to give credit to President Peterson for honoring her.

Commissioner Covington thanked President Peterson for the moment of silence in honor of Ms. Rosa Parks. Ms. Covington stated that Ms. Parks was a wonderful person and taught everyone about a courage that did not necessarily require a loud voice. Ms. Covington stated that people may not remember that at that time in Montgomery, people had to enter the front of the bus, pay their fare, get off the bus and enter the back door, and it was sport for a lot of the bus drivers, particularly when it was raining, that when one got of the bus to enter the back door, the bus driver would take off. Ms. Covington stated there were a lot of mean-spirited attitudes, and on that bus where Ms. Parks made her stand, she previously had had problems with that particular bus driver before, so she did her action fully aware that there may be physical repercussions on her person. Ms. Covington stated that not only did Ms. Rosa Parks do what she had to do, but thousands of black people whose names were not known, made the Montgomery bus boycott a success, because for more than a year, they walked to work, no matter how far it was. Ms. Covington stated that it was their quiet determination that led to the gains that African-Americans have today, and out of the civil rights movement came the women's movement, and Ms. Parks had left everyone an incredible legacy.

Commissioner Breed thanked Mr. Peterson for providing an opportunity for reflection on the life of Ms. Rosa Parks. Ms. Breed stated that she was raised by her grandmother and that when she was young, she did not realize the importance of having someone that was very spiritual, grounded and came from an era that had a lot of suffering. Ms. Breed stated that her grandmother, even as she raised her grandchildren, still had a fear of speaking to certain people in a certain manner, and that she respected Ms. Rosa Parks for

her tenacity and determination, especially for a woman of diminutive stature standing up to all those folks. Ms. Breed stated that she did not realize the importance growing up until she noticed that if it were not for people like Rosa Parks, she would not be in the situation she presently was today. Ms. Breed stated that Ms. Rosa Parks started a movement not just for African-Americans, but also to preserve the values that the United States was founded on, and thought that her courageous stance brought about a constitutional push for equality. Ms. Breed stated that she would always respect Rosa Parks and shared that she had attended Raphael Weill Elementary School before it was named after Rosa Parks. She recalled that she was at the naming ceremony and had taken a lot of photographs to remember the event. Ms. Breed stated that Ms. Rosa Parks was very sweet and quiet, and recalled telling her that she had never been more proud to be an African-American and wished that she had attended the school as Rosa Parks Elementary School. Ms. Breed stated she wanted to thank President Peterson again, and that the Agency Commission represented the diversity of a lot of the struggles that Ms. Rosa Parks had to endure throughout her life and that she really appreciated her very much.

Commissioner Yee stated that actually, he had spoken with President Peterson and suggested that the Commission pay its respect to Ms. Rosa Parks, a world renowned civil rights pioneer with a moment of silence. Mr. Yee stated that the tribute was very appropriate not only for African-Americans, but also Asian-Americans and other ethnic groups, and her efforts were greatly appreciated by all.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE OCTOBER 18, 2005 COMMISSION MEETING

- 3 (a) Resolution No. 160-2005, Public hearing and approving a Disposition and Development Agreement with The Regents of the University of California, a California public corporation, for the purchase of a portion of Block 7, and adopting environmental findings pursuant to the California Environmental Quality Act, for the development of an affordable housing project; Mission Bay South Redevelopment Project Area

After reading the item into the record, Commission Secretary Erwin R. Tanjuaquio stated that item 3 (a) would be presented with the related items on the regular agenda items 4 (d), (e) and (f) regarding the UCSF project.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of October 18, 2005
- 4 (b) Resolution No. 173-2005, Authorizing a Second Amendment to the Tax Increment Loan Agreement with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, to modify the sources and use of funds and the loan disbursement budget for the construction of 18 low- and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 18, 2005, AND 4 (B) RESOLUTION NO. 173-2005, AUTHORIZING A SECOND AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO MODIFY THE SOURCES AND USE OF FUNDS AND THE LOAN DISBURSEMENT BUDGET FOR THE CONSTRUCTION OF 18 LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No.174-2005, Authorizing the issuance, sale and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$12,500,000 to assist Banneker Homes Partners, L.P., with, the financing of the acquisition and rehabilitation of affordable residential rental facilities known as Banneker Homes Apartments at 765 Fulton Street and authorizing and approving related actions and authorizing the execution and delivery of related documents; Western Addition Redevelopment Project Area A-2

Presenters: Sally Oerth (Agency staff)

Commissioner Covington stated that there were a lot of very good plans for services including tutoring and computer classes for adults, and asked what kind of follow-through would be available to ensure that the programs would be implemented and maintained for an extended period of time.

Ms. Sally Oerth, Senior Development Specialist, stated that the funds from the seller's note that would be used to pay for the planned services would be monitored through an agreement with the Department of Housing and Urban Development (HUD), and those moneys could only be used to pay for the services.

Commissioner Breed asked if the plans included a color-scheme for the building that had a lighter tone than the current color.

Ms. Billy Hutton of Alton Management, showed a color palate of the proposed color scheme, and stated that the existing darker green color would be replaced by a softer green color that would only be used for the gates and building appurtenances, and would be complemented by a lighter beige color with a rust-colored accent. Mr. Hutton stated that the proposed color scheme would provide for a lighter and softer color scheme for the buildings.

Commissioner Breed asked if there planned street closures during the construction work. Ms. Breed asked if there was opportunity provided to tenants for employment and training on the rehabilitation project. Ms. Breed asked for an explanation of the affordability levels and if the units would remain affordable for 55 years.

Mr. Al Reynolds of Alton Management, stated that he did not think there would be street closures during the construction work because the garage would remain operable and would be the last component of the work. Mr. Reynolds stated that they were very much aware of the Agency's Equal

Employment Opportunity program and that as many residents as possible would be offered employment and training.

Executive Director Rosen stated that under the project-based Section 8 program, units with residents eligible for the Section 8 program would pay no more than 30% of their income towards the rent, regardless of how low their income was, and HUD would pay the remainder towards the rent. That would apply to 96 of the units, which were project-based Section 8 units. In addition, there were several residents with tenant-based Section 8 vouchers that would also pay no more than 30% of their income towards the rent, with HUD paying the remainder. For the units that were not under the Section 8 program, the rent levels were set to be affordable to people at 50% of median income for 20% of the units and the remaining units set at 60% of median income. Ms. Rosen stated that was the guaranteed affordability levels should HUD not renew the Section 8 in the future, but while the Section 8 subsidy was there, the residents would be protected by it. Ms. Rosen stated the units would remain affordable to people at 50% and 60% of median income for the full time period, and would remain at much deeper affordability so long as they remained as Section 8 units. Currently, HUD would continue renewing the Section 8.

Commissioner Breed stated that she understood that a number of tenants had just received notices for a meeting and wanted to know what meetings had been scheduled and what outreach to the residents had been made, because she had heard from some of the tenants that the outreach was not done. Ms. Breed requested verification that the existing tenants would not be displaced during the construction.

Mr. Al Reynolds stated that they had made efforts to meet with the residents, but the problem was that people did not turn out for the meetings. Mr. Reynolds stated the rehabilitation project was not a secret, and everyone in the building knew what was going on. Mr. Reynolds stated that they recently mailed out notices to all the residents to walk them through the whole process, and they would set up a model unit to show the residents the remodeled units. Mr. Reynolds stated that no residents would be displaced, and the only possibility was that a resident may have to be moved for a period of ten days while the unit was being worked on.

Commissioner Breed stated she would ask that the communication with the residents was clear and outreach efforts be made to all the residents, because she did not want the residents expressing to her their concerns that they were not made aware of the what was happening. Ms. Breed asked that there be good attitude and compassion in the approach when communicating with the tenants. Ms. Breed put forth a motion to adopt item 4 (c).

Commissioner Romero seconded the motion to adopt item 4 (c).

President Peterson stated he would urge that Commissioner Breed be kept in the loop and sent the meeting notices, because her office is right across the street from Banneker Homes.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO.174-2005, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000 TO ASSIST BANNEKER HOMES PARTNERS, L.P., WITH, THE FINANCING OF THE ACQUISITION AND REHABILITATION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS BANNEKER HOMES APARTMENTS AT 765 FULTON STREET AND AUTHORIZING AND APPROVING RELATED ACTIONS AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (d), (e) and (f) plus 3 (a) were presented together and acted upon separately.

- 4 (d) Resolution No. 175-2005, Adopting environmental findings and a statement of overriding considerations pursuant to the California Environmental Quality Act in connection with the approval of a Memorandum of Understanding and associated documents with The Regents of the University of California, a California public corporation, related to the implementation of The Regents Long Range Development Plan Amendment #2, Hospital Replacement Program, the University of California, San Francisco Campus; Mission Bay South Redevelopment Project Area
- 4 (e) Resolution No. 176-2005, Approving a Memorandum of Understanding with The Regents of the University of California, a California public corporation, and acknowledging the Executive Director's findings of consistency with the Mission Bay South Redevelopment Plan, for the expansion of UCSF facilities in the Mission Bay South Redevelopment Project Area; Mission Bay South Redevelopment Project Area
- 4 (f) Resolution No. 177-2005, Authorizing a Second Amendment to the Mission Bay South Owner Participation Agreement with Catellus Operating Limited Partnership, a Delaware limited partnership, and FOCIL-MB, LLC, a Delaware limited liability company, to allow for the transfer of Blocks 36-39, the Expansion Parcels, to The Regents of the University of California, a California public corporation; Mission Bay South Redevelopment Project Area

- 3 (a) Resolution No. 160-2005, Public hearing and approving a Disposition and Development Agreement with The Regents of the University of California, a California public corporation, for the purchase of a portion of Block 7, and adopting environmental findings pursuant to the California Environmental Quality Act, for the development of an affordable housing project; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Norman Pearce, Corinne Woods

Commissioner Covington asked that the representatives from the University of California San Francisco (UCSF) be introduced.

Ms. Amy Neches, Senior Project Manager, introduced representatives from UCSF.

Commissioner Covington asked for additional background information on the design approval process for the UCSF projects because she recalled Ms. Neches stating at one point in her presentation, that the design approval rested with the Agency Commission, and at another point, it did not. Ms. Covington stated she wanted to express her concerns with the proposed hospital fronting on 16th Street, and was reminded that UCSF recently built a parking garage whose rear façade faced Third Street, and the huge structure was an eyesore on Third Street, which the City was trying to revitalize.

Ms. Neches explained that the affordable housing project, under the Disposition and Development Agreement (DDA), was subject to Agency control, just like any other development within a redevelopment project area would be. When the project design begins, the developer would work with Agency staff and the Citizens' Advisory Committee (CAC), and the design would be submitted to the Agency Commission for review and approval. Unlike the affordable housing development, the ultimate design of the proposed hospital would not be subject to Agency Commission approval, but instead, would be approved by the Regents of the UCSF. However, as part of the Memorandum of Understanding (MOU), Agency staff had negotiated a design consultation process that staff believed would be meaningful. It would require UCSF to work with Agency staff to work with the citizens to hold public meetings as they had on the design standards, and to hold at least one public hearing before the Agency Commission to make sure that the design was publicly considered. Ms. Neches stated that staff shared Commissioner Covington's concerns about the design of the hospital, particularly its frontage on 16th and Third Streets. Ms. Neches stated that Mr. Tom Evans, Assistant Project Manager and now lead Planner, along with the Agency's architectural staff, had spent a lot of time with UCSF's

planners and discussed the height and bulk issues of the proposed hospital. Ms. Neches stated that staff believed it was entering into a better collaboration on the hospital than it had been able to achieve for the UCSF campus.

Commissioner Covington thanked Ms. Neches for her explanation and stated that UCSF was a wonderful institution and that she particularly enjoyed the stem cell panel that included the Nobel Laureates. Ms. Covington inquired about Parcel X-3 and asked for clarification.

Ms. Neches stated that Parcel X-3 was a parcel adjacent to the UCSF parcels, owned by a separate property owner and not subject to the overall Owner Participation Agreement for Mission Bay. Ms. Neches stated that parcel contained a warehouse building that was used to store furniture. Ms. Neches stated staff understood from UCSF that they were in negotiations with the property owner and potentially might acquire the property and add it to their parcels. As part of the Agency's agreement with UCSF, the Agency had an agreement to negotiate in good faith should they acquire that property, relative to the types of concerns that Ms. Corinne Woods raised. Ms. Neches stated that the Agency did not currently have an agreement nor did UCSF have a contract to purchase the property; however, the agreements that the Agency had established in the MOU about design process and standards, explicitly covered Parcel X-3 as well as the central parcels, so that the height and bulk standards that the Agency had agreed to, including the architectural standards and design consultation process, would cover the parcel if and when it was acquired.

Commissioner Covington requested verification that 112 units of the proposed affordable housing project were designated for people at 60% of area median income, and the 48 units would be designated for UCSF house staff.

Ms. Neches affirmed that 112 units of the 160-unit affordable housing project would be designed for people at 60% of area median income and 48 units would be designated for UCSF house staff.

Commissioner Covington put forth motions to adopt items 4 (d), 4 (e), 4 (f) and 3 (a).

Commissioner Singh stated that he also attended the stem cell research conference and that it was very informative. Mr. Singh stated it was a privilege for the Commission to vote for the UCSF project. Mr. Singh seconded Commissioner Covington's motions to adopt items 4 (d), 4 (e), 4 (f) and 3 (a).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 175-2005, ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT IN CONNECTION WITH THE APPROVAL OF A MEMORANDUM OF UNDERSTANDING AND ASSOCIATED DOCUMENTS WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, RELATED TO THE IMPLEMENTATION OF THE REGENTS LONG RANGE DEVELOPMENT PLAN AMENDMENT #2, HOSPITAL REPLACEMENT PROGRAM, THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO CAMPUS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 176-2005, APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, AND ACKNOWLEDGING THE EXECUTIVE DIRECTOR'S FINDINGS OF CONSISTENCY WITH THE MISSION BAY SOUTH REDEVELOPMENT PLAN, FOR THE EXPANSION OF UCSF FACILITIES IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 177-2005, AUTHORIZING A SECOND AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH CATELLUS OPERATING LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP, AND FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO ALLOW FOR THE TRANSFER OF BLOCKS 36-39, THE EXPANSION PARCELS, TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 160-2005, PUBLIC HEARING AND APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, FOR THE PURCHASE OF A PORTION OF

BLOCK 7, AND ADOPTING ENVIRONMENTAL FINDINGS
PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY
ACT, FOR THE DEVELOPMENT OF AN AFFORDABLE HOUSING
PROJECT; MISSION BAY SOUTH REDEVELOPMENT PROJECT
AREA, BE ADOPTED.

4 (g) Update on Mission Bay Program in Diversity/Economic Development
Program

Presenters: Amy Neches, George Bridges (Agency staff), Chris Iglesias (MOEWD)

Speakers: Dr. Edith Leonhardt, Christopher Hanif, Raymond Brooks, Derf
Butler, Cindy Mendoza, Jaime Jones, Shahla Davoudi, Arnold
Townsend, Zamir Zuraek

Commissioner Covington inquired about the outreach efforts and how
people were made aware of training opportunities and asked if staff did
public service announcements and advertised in the ethnic presses, other
than the San Francisco Chronicle and Examiner.

Mr. George Bridges, Senior Contract Compliance Specialist, stated that for
the particular project, Safeway worked with the South of Market
Employment Center, who worked with other community-based
organizations to let them know about the employment opportunities. Mr.
Bridges stated that to his knowledge, Safeway did not advertise in the ethnic
newspapers.

Commissioner Covington stated that she would suggest that advertisements
be placed in the ethnic newspapers to ensure the broadest outreach possible.
Ms. Covington asked staff to provide a description of the training provided
at the South of Market Employment Center and Young Community
Developers (YCD) and if the training provided led to union apprenticeships
and for what trades.

Mr. Bridges stated that YCD had an apprenticeship program, which was
called "boot camp" and was designed for people interested in construction
jobs to get them working at 5:30 in the morning. Mr. Bridges stated that the
training provided led to union apprenticeships.

Mr. Chris Iglesias from the Mayor's Office of Economic and Workforce
Development stated that YCD had an apprenticeship program in conjunction
with the Building Trades, and the primary trades they trained for were
carpenters, laborers and hazardous materials specialists, which was the main
focus of YCD. South of Market Employment Center, on the other hand,
focused on job-ready individuals, but through the work with the Agency and
City College, the City helped develop the construction administration

program, which had been one of the most successful programs in getting people placed in administrative positions on Agency projects for the last five years. Mr. Iglesias stated that in conjunction with the Four Seasons Hotel project, the South of Market Employment Center developed the hospitality training program and also the fitness certification training program. Mr. Iglesias stated that all of these programs were developed in conjunction with developers and operators, and for Safeway, direct outreach was conducted.

Commissioner Covington asked if there was a breakdown of the 600 jobs for Mission Bay projects.

Mr. Bridges stated that there was a breakdown of the jobs from 2001 to 2004, with some that were apprenticeship positions, but that typically the jobs were carpenters, laborers and cement masons, and other trades that included operating engineers, ironworkers and electricians.

Commissioner Covington stated that her great interest was in helping people gain employment that would permit them to work anywhere in the world ultimately, so that the acquired skills would be transferable and not necessarily geographic specific. Ms. Covington stated she would be asking a lot questions about employment, jobs and permanent, well-paying jobs during her tenure as an Agency Commissioner.

Commissioner King stated that he raised the issue at the previous Commission meeting because he was disturbed with the new owner and remembered the struggle with Catellus years ago to try and get them to comply with the Agency's Equal Employment Opportunity program. Mr. King shared that he went on a two-hour tour at Mission Bay earlier in the day and was very pleased with what he saw with the diversity of the workers. Mr. King stated he saw engineers, laborers and carpenters and spoke with an African-American carpenter who received training under the Agency's programs. Mr. King stated that the training they received and the skills they learned allowed them to work anywhere in the country. Mr. King stated the Agency had fostered good apprenticeship programs and that he was very pleased, and the tour he took opened his eyes because he saw the diversity in the construction workforce in Mission Bay. Mr. King stated he spoke with one carpenter that was on the second year of his apprenticeship and another engineer who operated the big construction equipment, and what he saw was quite different from what he thought previously at the last Commission meeting. Mr. King stated he wanted to make sure that the developer and new owner continue to maintain the diversity he saw at the tour, and urged the Agency's Contract Compliance staff to stay on top of the workforce diversity. Mr. King stated he recalled that when Mr. Chris Iglesias was with the Agency, he had always provided the Commission with a report on the contract compliance of every developer and he would urge

staff to continue that practice. Mr. King stated he believed that the new owner in Mission Bay understood the Agency's Equal Employment Opportunity program and that he was glad he raised the issue because now everyone could see the improvements in creating diversity in the workforce. Mr. King stated he believed that the Agency's Equal Employment Opportunity program was the best in the country and certainly in the City and was much better than the City's Human Rights Commission.

Commissioner Breed stated she had concerns with the information provided by staff because she expected to see a similar breakdown for the minority and women-owned business enterprises as for residents of the City, and that she also expected to see a breakdown of the actual positions within the job categories. Ms. Breed requested staff to provide a chart that would show a breakdown of San Francisco residents employed specifically under the listed job categories, and would also like to know for companies doing business with the Agency, what type of positions people were in what job categories. Ms. Breed stated she recalled that the Commission recently approved a panel of redevelopment plan adoption consultant firms where the Commission requested a workforce breakdown of each firm that showed the gender, position and job category held by each employee, and that was the same information she would like to see for the Mission Bay project. Ms. Breed stated she appreciated members of the public who came to the meeting to let the Commission know what was happening, and from her personal experience when visiting Safeway, she did notice a very diverse group of employees. Ms. Breed stated that what she had ask people who work and/or lived in the Mission Bay area, was to look for what type of minority people actually worked on the projects, because based upon her own personal experience, she did not see a variety of people working on those particular projects. Ms. Breed stated that on the few occasions she visited the area, she personally did not see the diversity and that was why the matter was brought up by the Commission. Ms. Breed stated that although the project looked good based upon the information provided, the workforce numbers did not match up with the Agency's requirements, and best faith efforts was not good enough for her, and the Agency should work harder to meet the stated goals, because as an example, the Gap had 44.9% minority participation that far exceeded the Agency's goals, but others did not even come close to that percentage. Ms. Breed stated she just wanted to see more efforts with outreach to groups and organizations and thought that was not asking for too much, especially with San Francisco's diversity. Ms. Breed stated she did not mean to put a damper on any spirit, because she knew and had good working relationships with many of the organizations, including Mission Hiring Hall and Young Community Developers, but Mission Bay was a massive project, and the few organizations simply could not do all of it, and other organizations in other parts of the City must be involved in such a huge undertaking. Ms. Breed stated she would encourage more outreach and involvement from San Francisco residents.

Commissioner Romero thanked staff for preparing the report and presenting the workshop, and acknowledged their hard work. Mr. Romero stated that Commissioner King should be recognized for being a Commissioner who always pushed for ensuring that the Agency had good equal employment opportunity policies, hiring goals in all of the Agency's projects, and that was a critical component of the Commission's responsibilities. Mr. Romero stated as Mr. Chris Iglesias stated, the Commission set the Agency's policies, the Executive Director then oversees the implementation, and the project managers set the tone, and the staff had done a wonderful job in implementing and setting the tone for the Commission's policies. Mr. Romero stated that the results varied and some were good, some were in between and some were not so good, and that had been his experience his entire life when dealing with equal employment opportunity issues. Mr. Romero shared that he dealt with this issue in his first year as a law student at U.C. Berkeley back in 1977, with the Backe decision, which was one of the major Supreme Court decisions that cut away at some of the affirmative action plans that had been developed in education around the country, and since then, there had been a tremendous backslide through court decisions and ballot propositions and laws that had been passed. Even when he was a member of a committee at the law school to rewrite the admissions policy for the law school, he was the only Hispanic represented on that committee, and none of these issues were quite as simple as they appeared and were very complicated. Mr. Romero stated that in his own experience as a member of the La Raza law students, where there were Chicanos, Mexican-Americans, Puerto-Ricans and Cubans, they could not even decide if they should call themselves Latinos or some other name. Mr. Romero stated that he believed that the Agency's equal employment opportunity program was a leading example, not only in the City, State and probably the nation, in reaching out to all peoples, and it would not stay that way if the Commission did not push constantly for accountability and enforcement. Mr. Romero thanked Agency staff for their hard work and members of the public who came to the meeting.

[At this time, approximately 6:00 p.m., Commissioner Breed departed the meeting.]

Items 4 (h) and (i) were presented together and acted upon separately.

- 4 (h)** Resolution No. 178-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and approving the Blocks 2-7 and 13 major phase application in the Mission Bay South Redevelopment Project Area pursuant to the Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay South Redevelopment Project Area

- 4 (i) Resolution No. 179-2005, Adopting environmental findings pursuant to the California Environmental Quality Act and approving the schematic design for Mission Bay open space parcels P5, P6, P11a, P12, P13, and P15 in the Mission Bay South Redevelopment Project Area pursuant to the Owner Participation Agreement with FOCIL-MB, LLC; Mission Bay South Redevelopment Project Area

Presenters: Tom Evans (Agency staff), Jacinta McCann (EDAW)

Speakers: Corinne Woods

Commissioner Covington thanked staff for the nice presentation and stated that layout of the open space was lovely and particularly liked the butterfly garden. Ms. Covington asked if there were any schematics of the interactive water play feature. Ms. Covington asked how the open spaces were being maintained.

Ms. Jacinta McCann from EDAW, pointed to the illustrative rendering and stated that the water play feature would be a three-foot wide, one foot deep channel, with a couple of inches of water depth. Ms. McCann stated that the idea was for children to be able to get their feet wet, and there would not be any danger of submersion.

Mr. Tom Evans, Lead Planner, stated all of the parks in Mission Bay were maintained by the Redevelopment Agency through a contract with MJM Management Group, and that funds for the maintenance of the parks came from a community facilities district for all of Mission Bay that provided long-term funding commitment for the maintenance of all the parks.

Commissioner Covington asked if UCSF contributed to the community facilities district, and how much.

Mr. Evans stated that UCSF contributed to the community facilities district.

Ms. Amy Neches, Senior Project Manager, stated that the community facilities district established a maximum tax per acre, which was established in 2000 at \$14,400 per acre, but the tax escalated every year based on the consumer price index, and was currently at \$16,000 per acre for the private properties. The Agency's affordable housing sites and other City-owned sites like the school, police and fire parcels were exempted from the special tax, but all of the private property including UCSF, paid at that rate into the fund, as would the hospital site. Ms. Neches stated that the amount of the tax was set based upon projections of operations and maintenance of the parks to allow the Agency to adequately maintain them.

Commissioner Covington asked if the water feature would have still or running water. Ms. Covington asked if there any traditional play structures planned in the park and if there would be kiosks for refreshments.

Ms. Neches stated that the water feature would have running water and would be designed in such a way that if the running water was turned-off, it would still look nice. Ms. Neches stated the water would be a couple of inches deep, and obviously, when you have children and water, parents must be careful, but the park would be designed with seating areas that faced onto the central portion of the park that would allow parents to watch their children play. Ms. Neches stated that the sight lines from all the bench areas were all oriented towards the play equipment and water feature areas to make sure that parents could maintain the proper surveillance of their children, while still being independent. Ms. Neches stated that a similar water feature was designed and constructed in the Guadalupe River Park in San Jose by the Agency's park specialist, Cheryl Barton, and it had been extremely successful. The Agency and members of the community were excited to have a water feature in the Mission Bay parks. Ms. Neches stated that there was a strong community desire to not have traditional play structures like swings, but to have a more natural environment and more creative play. Ms. Neches stated that swing sets were not planned, but there would be climbing and sliding structures, but they were quite creative and different-looking than in traditional playgrounds. Ms. Neches stated there would be a couple of opportunities for refreshments near the children's park: one would be a small pavilion building at Parcel P-1 at Mission Creek and another small kiosk for seasonal refreshments at Parcel P-15. In addition, the area adjacent to the children's park would become the major retail corridor in Mission Bay and would provide refreshments.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 178-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE BLOCKS 2-7 AND 13 MAJOR PHASE APPLICATION IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 179-2005, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE SCHEMATIC DESIGN FOR MISSION BAY OPEN SPACE PARCELS

P5, P6, P11A, P12, P13, AND P15 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Resolution No. 180-2005, Authorizing a Personal Services Contract with Forster & Kroeger Landscape Maintenance, Inc., a California corporation, for a term of 1 year with two 1 year options, in an amount not to exceed \$252,220, with a contingency of \$25,000 for extra work on an as needed basis for a total aggregate amount not to exceed \$277,220 to provide landscape maintenance services in Community Facilities District No. 1; Rincon Point-South Beach Redevelopment Project Area

Presenters: Audrey Kay (Agency staff)

Commissioner Romero thanked staff for a thorough presentation and put forth a motion to adopt item 4 (j). Commissioner King seconded the motion.

President Peterson asked why the bid from Robert Poyas was so high.

Ms. Audrey Kay, Property Management Specialist, stated that the bid from Robert Poyas included substantial capital improvement costs.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 180-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH FORSTER & KROEGER LANDSCAPE MAINTENANCE, INC., A CALIFORNIA CORPORATION, FOR A TERM OF 1 YEAR WITH TWO 1 YEAR OPTIONS, IN AN AMOUNT NOT TO EXCEED \$252,220, WITH A CONTINGENCY OF \$25,000 FOR EXTRA WORK ON AN AS NEEDED BASIS FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$277,220 TO PROVIDE LANDSCAPE MAINTENANCE SERVICES IN COMMUNITY FACILITIES DISTRICT NO. 1; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 181-2005, Authorizing a Fourth Amendment to the Grant Agreement with the Yerba Buena Alliance, a California nonprofit mutual benefit corporation, to authorize three annual contributions of \$25,000, for a total aggregate amount of \$325,000, and to extend the term for an additional three years from November 1, 2005 to October 31, 2008; Yerba Buena Center Redevelopment Area

Presenters: Cathy Pickering (Agency staff)

Speakers: Natalie Berg, Sean Jeffries

Commissioner Singh put forth a motion to adopt item 4 (k).

Commissioner Yee seconded the motion and stated that Ms. Natalie Berg was doing a great job at Yerba Buena Gardens.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 181-2005, AUTHORIZING A FOURTH AMENDMENT TO THE GRANT AGREEMENT WITH THE YERBA BUENA ALLIANCE, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION, TO AUTHORIZE THREE ANNUAL CONTRIBUTIONS OF \$25,000, FOR A TOTAL AGGREGATE AMOUNT OF \$325,000, AND TO EXTEND THE TERM FOR AN ADDITIONAL THREE YEARS FROM NOVEMBER 1, 2005 TO OCTOBER 31, 2008; YERBA BUENA CENTER REDEVELOPMENT AREA, BE ADOPTED.

- 4 (l) Resolution No. 182-2005, Adopting an Agency Public Records Policy requiring the Agency to provide enhanced public access to records

Presenters: James B. Morales (Agency staff)

Speakers: David Pilpel

Commissioner Covington requested verification that there had been no denial of public records requests. Ms. Covington asked what kind of retrieval system the Agency had in responding to requests for public records. Ms. Covington asked if the proposed policy would require additional Agency staff.

Mr. James B. Morales, Agency General Counsel, affirmed that there had been no denial of public records requests. Mr. Morales stated that all communications to the Agency would be reviewed by executive staff and routed to appropriate staff and logged in the Agency's Central Records Division. If the communication was a request for public records, it would get a special notation, in light of the 10-day period in which the Agency must respond, and assigned to the appropriate staff to respond. This would be followed by an inquiry as to how the request was being responded to, but ordinary, straightforward and routine requests would generally be handled by project management staff or division heads to provide the appropriate information. Mr. Morales stated that under the proposed policy, routine or simple information that was already prepared would be made available on an expedited fashion, by the close of business of the next day, under an immediate request basis. Mr. Morales stated he did not think that the

proposed policy would require additional Agency staff, because staff was already assuming greater responsibility in providing the public with access. Mr. Morales stated there would be some new assignments. For example, the Agency's website, within six months of the effective date of the proposed policy, would have to be updated to have all of the Agency's meeting agendas and minutes for the past three years, and maybe as part of the website update, to include commission memoranda and other relevant documents. Mr. Morales stated the requirement that oral information be provided was already a function that the Executive Director's office undertakes, which includes the Commission Secretary as well. Mr. Morales stated that in the next two months, there would be staff training provided for the public records policy, and there had already been a meeting with all staff on the proposed policy.

Commissioner Covington stated she thought it was wonderful that the Agency would be in sync with the City in terms of Sunshine Ordinance issues. Ms. Covington stated she liked the idea of updating the Agency's website to include meeting minutes, memoranda, redevelopment plans and other documents, because with the volume of paper that she had accumulated in her short time on the Commission, she would like to have ready access to archival information. Ms. Covington encouraged staff to update the Agency's website as soon as practicable, and put forth a motion to adopt item 4 (1).

Commissioner Romero seconded Commissioner Covington's motion and stated that he almost lost a spare bedroom in his home with redevelopment material he had accumulated. Mr. Romero asked if the website update would have a significant cost to the Agency.

Executive Director Rosen stated she was consulting with Agency's Information Technology staff because the Agency currently used the City's server, which did not have the capacity for the voluminous Agency documents, but staff was looking at that in conjunction with the Agency's office move where there may be new technology available. Ms. Rosen stated that the Commissioners may not know, but the Agency's Housing Division launched a separate website that was linked to the Agency's website, to promote the Agency's affordable housing program. Ms. Rosen offered Commissioners who chose not to keep archives in their homes, that staff could easily provide them background information on any of the actions items before the Commission, and staff would be happy to do so.

Commissioner Romero stated he thought that the resolutions and meeting minutes were the most important things for the public to have access to, and although it would be good to have the Commission memoranda as well, that may be problematic.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 182-2005, ADOPTING AN AGENCY PUBLIC RECORDS POLICY REQUIRING THE AGENCY TO PROVIDE ENHANCED PUBLIC ACCESS TO RECORDS, BE ADOPTED.

[At this time, approximately 7:30 p.m., Commissioner Breed returned to the meeting.]

- 4 (m)** Workshop on the proposed Market-Octavia Neighborhood Plan; on proposed affordable housing development programs for Agency-owned Central Freeway parcels: G, K, O, Q, and U; and on a proposed amendment to the Western Addition A-2 Redevelopment Plan regarding conformance of certain land use controls with the Market-Octavia Plan; Citywide Tax Increment Housing Program and Western Addition A-2 Redevelopment Project Area

Presenters: Kate Hartley (Agency staff), Ann Marie Rogers (Planning Dept.)

Commissioner Romero thanked staff for the presentation and stated it was good to see that a lot of affordable housing units would be built on the Central Freeway parcels. Mr. Romero inquired about the traffic flow because he had experienced some delays when trying to get on the freeway lanes driving from the north on the side streets, where the signal lights did not seem synchronized.

Ms. Ann Marie Rogers from the Planning Department, stated that the Department of Parking and Traffic was still conducting traffic flow and signal studies to refine the timing and flow of traffic. Ms. Rogers stated that she would inquire about the traffic signal timing, and informed that the Board of Supervisors was sponsoring a public hearing on November 2nd to hear the public's comments about Octavia Boulevard.

Commissioner Covington thanked staff for the update, and inquired about the parcels that were not included in the workshop and requested an update.

Ms. Kate Hartley, Development Specialist, stated there were 15 parcels that the City owned, which the City's Department of Real Estate and the Mayor's Office of Economic and Workforce Development had been facilitating the pending sale of the parcels. Ms. Hartley stated that the City did not want to sell the parcels yet until the Market-Octavia Plan could be adopted so that potential developers would know what could be built on the sites and the valuation of the properties could be appropriately determined. All of the revenue generated from the sales of all 22 parcels would go to fund not only the boulevard, but also all of the ancillary transportation projects that were part of the Octavia Boulevard Replacement Program. Ms.

Hartley stated that if the Market-Octavia Plan was scheduled to be adopted in the spring of 2006, the market rate parcels would be sold shortly thereafter.

Commissioner Covington inquired about Parcel Q at the corner of Oak and Octavia, and stated that corner was a very busy corner especially with the freeway open, and asked for staff's line of thinking on the proposed housing for the disabled on Parcel Q.

Ms. Hartley stated that in the Request for Proposals (RFP) for Parcel Q, developers were asked to specifically address the locational issue, and staff would await the responses. Ms. Hartley stated that Parcel Q was particularly well-suited for a small development because the parcel was on 4,650 square feet, and the Agency wanted to fund it with a HUD 811 financing, which was funding specifically for disabled individuals. Ms. Hartley stated that under the HUD 811 program, only 15 units could be built, 20 units with a waiver, so the site size lent itself to the type of small development beautifully. Ms. Hartley stated that staff would be working very closely with the developer to institute design elements that deal with safety and they would be expected to work with the community and other City agencies like the Department of Public Works, MUNI, and the Department of Parking and Traffic to make sure that all possible safety elements related to traffic, pedestrian and wheelchair use would be incorporated.

Commissioner Covington stated she wanted to voice her concerns because all of the traffic would now be turning right into that corner, and it was hard to navigate for able-body people, and she was concerned with the prospective disabled folks that would live there. Ms. Covington asked if there were any thoughts on uniformity of design for the proposed developments along Octavia Boulevard.

Ms. Hartley stated that the community had expressed their desire for a diversity in design within the larger framework articulated by the design guidelines of the Market-Octavia Plan. Ms. Hartley stated the main reason for holding the design competition, which the Agency co-sponsored, was to generate really creative ideas and to essentially, identify a short list of architects who had thought through the Market-Octavia Plan, had considered the neighborhood and its context, and had come up with winning designs that included active streetscapes, including active commercial uses on the ground floor, in lieu of blank wall of parking garages. Ms. Hartley stated that the Market-Octavia Plan set the parameters for the basic design, but within that framework, the community would like to see some creative diversity in design.

Commissioner Breed stated that she was a member of the Western Addition Citizens' Advisory Committee when the Market-Octavia Plan was presented and recalled the discussion on the diversity issue, and also the discussion about concerns with where the senior housing would be located, and that she still had those concerns. Ms. Breed stated she would like more information on how the traffic issues would be addressed, specifically how the seniors would be picked-up and the related traffic safety.

Ms. Hartley stated that for Parcel A, there was legislation pending that was authored by the Department of Public Works, that would create a pedestrian bulb-out at the corner of Turk and Gough Streets, in order to provide a safer pedestrian crossing. Ms. Hartley stated that the Agency had also requested, and believed that it would be granted, a drop-off indentation on the sidewalk on Turk Street, so that vans and cars dropping off senior residents, could actually pull out of stream of traffic, drop off at a white and blue zone, and re-enter traffic without blocking cars driving on Turk Street. Ms. Hartley stated staff believed that the pedestrian and vehicular safety were addressed, and hoped to bring similar elements to all of the developments to the extent feasible and available.

Commissioner Breed stated she wanted to echo Commissioner Romero's concerns about the signal light at Octavia and Fell, that the timing was lengthy and asked staff to make inquiries.

Ms. Hartley stated that was why the hearing was being conducted because of, among other things, traffic signal timing.

Commissioner Breed inquired about Parcel G and asked what would happen to the mosaic public art on the parcel.

Ms. Hartley stated that in the RFP, developers were requested to make every effort possible to save and retain the mosaic, which was a beautiful piece of public art and was worth saving. Ms. Hartley informed that staff would be bringing an informational memorandum on the RFP for Parcel G later in November.

Commissioner Breed stated that there was a lot of new affordable housing development projects going on in Western Addition, and that she had heard a number of complaints from residents about the outreach for the workshops and community meetings. Ms. Breed stated that she knew that workshops had been conducted at the Northern Police Station, but she was hoping for a little extra outreach and having some of the workshops outside of the Northern Police Station to talk about some of the affordable housing opportunities, and to make sure that the Agency was using its best efforts to provide information to native Western Addition residents. Ms. Breed shared that she had spoken to Mrs. Mary Rogers, who could not be at the meeting.

but that the CAC would be making recommendations on the Central Freeway parcels developments.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- President Peterson reported that earlier in the day, a number of Commissioners and staff were in attendance at the ribbon-cutting ceremony for the Hotel St. Regis, a high-quality building with great architecture, and definitely a good addition to the Yerba Buena Center area. Mr. Peterson commended and congratulated the Commissioners and staff who had worked on the project, which he heard was a tremendous undertaking for the Agency.
- President Peterson stated that with respect to the Commission retreat, he was awaiting word from the Mayor's office on his availability for three or four dates in January and February 2006. Mr. Peterson stated that once the dates were made available, the Commissioners would be asked to select one and schedule the retreat.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen stated that as the Commissioners knew, one of the features of the Hotel St. Regis was the Museum of the African Diaspora, which would be celebrating its grand-opening at the end of November, with events already scheduled to begin on November 26th. For more information, the public could call the Museum at (415) 358-7219 or visit their website, www.moadsf.org.
- Ms. Rosen stated she had a sad announcement; staff had received word the day before that a recently retired, valued friend and colleague, former staff member Cheryl Towns, who retired last month, died suddenly in Texas where she was moving to be with family. Ms. Rosen stated that everyone was still reeling from the sad news, and funeral services were pending in Texas. There may also be a memorial services scheduled in San Francisco, and the Commission would be kept informed. Ms. Rosen stated that in Ms. Towns' modesty, she did not want a retirement resolution presented at the Commission, but staff

would be bringing a resolution in her honor, for the Commission's consideration at its November 15th meeting. Ms. Rosen stated she would request that the Commission meeting of November 1st be adjourned in the memory of Ms. Cheryl Towns.

9. COMMISSIONERS' QUESTIONS AND MATTERS

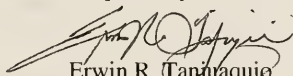
- Commissioner Romero stated she wanted to acknowledge Ms. Cheryl Towns, and recalled the wonderful welcome she gave him when he came to the Commission, and the sensitivity she displayed towards all of the Commissioners. Mr. Romero stated that as an example, when Ms. Towns was cleaning out her office, she came across some old pictures, when he was first appointed to the Commission, and she went out of her way to make sure that he had copies. Mr. Romero stated that she did not have to do that, and he was very touched and saddened with her passing. Mr. Romero stated that Ms. Towns would be sorely missed.
- Commissioner Breed stated that she had known Ms. Cheryl Towns for as long as she could remember, and that she went to her first baseball game with Ms. Towns and her mother and the late Gloria R. Davis, which the middle school was named after, and that Ms. Towns was a great person with a no-nonsense attitude, and spoke her mind. Ms. Breed stated that she had spoken with Ms. Towns before she left for Texas and that she was like a mentor to her. Ms. Breed stated that Ms. Towns was a considerate and straightforward person, and they shared many mutual friends, and her incredible sense of humor would be sorely missed. Ms. Breed sent her condolences to Ms. Towns' family and friends.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Covington, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:07 p.m. The November 1, 2005 Commission meeting was adjourned in memory of Ms. Cheryl Towns.

Respectfully submitted,


Erwin R. Tanjaquio
Agency Secretary

APPROVED:

November 15, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
15TH DAY OF NOVEMBER 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of November 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

President Peterson stated he knew that he was speaking on behalf of all Agency Commissioners and the entire staff in sending to their fellow Commissioner and friend, Francee Covington, their sincerest condolences for the passing of her husband Kenneth Graddick, on November 10, 2005. Mr. Peterson stated that Ms. Covington was with family and friends and was being comforted during this incredibly difficult time. Mr. Peterson stated that Francee was married to Ken for approximately 16 years and have a young son, Chandler. Mr. Peterson stated that the Agency's fondest wishes, prayers and thoughts were with Francee, Chandler and her entire family during this very difficult time. Mr. Peterson stated that the November 15th Commission meeting would be adjourned in memory of Mr. Kenneth Graddick. Mr. Peterson stated that everyone on the Commission had an opportunity to get acquainted with Mr. Graddick when Francee was appointed to the Commission at the same time as he and Commissioner Breed, and it did not take long to see that Ken was a neat guy and a good man, and how important he was to Francee and Chandler.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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And the following were absent:

Francee Covington

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of November 1, 2005

4 (b) Resolution No. 183-2005, Authorizing the publication of the San Francisco Redevelopment Agency's official notices and advertisements in those newspapers designated, from time to time, as the official newspapers of the City and County of San Francisco

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF NOVEMBER 1, 2005, AND 4 (B) RESOLUTION NO. 183-2005, AUTHORIZING THE PUBLICATION OF THE SAN FRANCISCO REDEVELOPMENT AGENCY'S OFFICIAL NOTICES AND ADVERTISEMENTS IN THOSE NEWSPAPERS DESIGNATED, FROM TIME TO TIME, AS THE OFFICIAL NEWSPAPERS OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

REGULAR AGENDA

4 (c) Resolution No.184-2005, Memorializing and commending the contributions of Cheryl Evonne Towns to the Redevelopment Agency of the City and County of San Francisco.

Executive Director Marcia Rosen read the resolution while staff showed a slide presentation of photographs of Ms. Cheryl Towns.

Speakers: Belva Davis

Commissioner Romero stated that he had made remarks at the previous Commission meeting when Ms. Cheryl Towns' death was announced and would like to expound on those remarks. Mr. Romero stated that he had

been on the Commission almost eight years and recalled that when he first came to the Commission, Ms. Cheryl Towns made quite an impression on him because of her zeal and energy in supporting not only the Commissioners, but also the Executive Director. Ms. Towns went out of her way to get to know people and she did that with him. Mr. Romero stated he had not seen or spoken with Ms. Towns for several months and was surprised to hear that she was retiring from the Agency, but later found out that she was going to take care of her mother who had taken ill. Mr. Romero stated that was the kind of person Ms. Towns was, one who thought of others before herself, and she fit in very well with the Agency staff, who was generally a very nice group of people. Mr. Romero stated that when Ms. Towns was cleaning her office, she found some old photographs that had been taken when he was first appointed to the Commission, and instead of throwing the photographs or keeping them, she made sure that copies were sent to him. Although she did not have to do that, she was the kind of person that thought of others. Mr. Romero stated that he was glad to see that the Agency was recognizing not only her service to the City, but also the person she was. Mr. Romero put forth a motion to adopt item 4 (c).

Commissioner Breed stated that she spoke with Mr. Cheryl Towns the day before she was leaving for Texas when she saw her coming out of a store buying cigarettes and recalled telling her that she would get her the nicotine patch to help her quit smoking. Ms. Breed stated she recalled telling Ms. Towns that she would be back in San Francisco in no time. Ms. Breed stated that Ms. Towns was a great person and a good friend, who went out of her way to spend time with her and recalled that Ms. Towns took her to her first baseball game with her mother and the late Gloria R. Davis, and they had a wonderful time. Ms. Breed stated that Ms. Towns had a wonderful spirited personality, and as the years went by, she got to know a good-hearted person who loved her City, her people, especially young people, and loved to help them. Ms. Breed stated that Ms. Towns was a low-profile person who just took care of business and did her job, and she would be truly missed by her and everyone who knew her. Ms. Breed stated that she really missed Ms. Towns and her passing was a huge loss not only to the Agency, but the entire San Francisco community. Ms. Breed seconded Commissioner Romero's motion to adopt item 4 (c).

President Peterson stated that he was sure that the Commissioners would vote in favor of the commendation resolution and asked if it would be sent to Ms. Towns' family.

Executive Director Rosen stated that Commission Secretary Erwin R. Tanjuaquio had prepared a presentation version of the resolution, which would be sent to Cheryl's father, Mr. Joe Towns, in Texas.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (c) RESOLUTION NO.184-2005, MEMORIALIZING AND COMMENDING THE CONTRIBUTIONS OF CHERYL EVONNE TOWNS TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d) Workshop on the Draft Redevelopment Plan Amendments for the Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Projects; Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Project Areas and the Bayview Hunters Point Redevelopment Survey Area

Presenters: Stan Muraoka, Tom Evans (Agency staff), Michael Cohen (MOEWD)

Speakers: Charlie Walker, Angelo King, Ace Washington

Commissioner Yee requested staff to respond to Mr. Charlie Walker's comments.

Executive Director Rosen stated that the planning for the Bayview had been going on in partnership with the Bayview Project Area Committee (PAC), which was a board of community representatives that was elected in 1997. The plan before the Commission was the plan recommended by the Bayview PAC. Ms. Rosen stated that Mr. Walker made reference to the Western Addition, which as the Commission knew, was historically a different form of redevelopment in which the Agency took over a lot of property and reconfigured the development in a very different way than what was proposed for the Bayview. The Bayview plan, like the Mid-Market and South of Market plans, would be premised on using existing zoning controls with private property to continue to be owned by private owners, and a land use affordable housing, economic development and community improvements program recommended by the community members. Ms. Rosen stated she did not think that the parallels were there and the Bayview plan had evolved through a very elaborate and thoughtful process, the vision for which was contained in what was called the Concept Plan, which was published by the PAC and endorsed by the Commission in 2000, when Supervisor Sophie Maxwell was the then chair of the PAC. That Concept Plan continued to be the guiding principle for which the technical redevelopment planning work continued.

Commissioner Yee thanked Ms. Rosen for the explanation and asked about Mr. Walker's comments about his golf driving range proposal.

Executive Director Rosen stated that the Commission was provided an informational memorandum about a month ago on Mr. Walker's golf driving range proposal. Ms. Rosen stated that as the Commission was aware, the Agency was in an exclusive negotiation agreement with Lennar for the entire development of the Shipyard, and the Agency had no authority under the exclusive negotiations agreement to negotiate with any other developer. Upon further staff investigation of Mr. Walker's proposal, it was determined that part of the land was land that was already under Lennar's control, and in fact, was a site for housing development to be built by a community builder, and the other portion of the land for Mr. Walker's proposal was owned by the U.S. Navy and was undergoing environmental remediation and not available for temporary use or development by anyone for any purpose until the U.S. Navy completed the remediation and made it available to the Agency. Ms. Rosen stated that while at first blush, the proposal looked very interesting and creative, for which she commended Mr. Walker, the proposal was not feasible, and it was not under the Agency's control.

Commissioner Yee asked if Mr. Walker had been made aware of the situation.

Executive Director Rosen stated that a letter was sent to Mr. Walker informing him of the situation and she believed that he was also provided a copy of the informational memorandum. Ms. Rosen stated that Mr. Walker had also spoken with Agency Project Manager Nicole Franklin and she believed, Mr. Michael Cohen from the Mayor's Office of Base Reuse and Development.

Commissioner King stated he was glad to see the process moving forward and that the Bayview plan should have been prepared at least five years ago, and the only reason why it was moving forward was because members of the Bayview PAC showed up at the last Commission meeting to raise the issues before the Commission, and he hoped that the Agency could expedite the approval of the Bayview plan. Mr. King stated that a lot of what Mr. Walker stated was true because other areas like Mid-Market moved a lot faster than Bayview, and while the work in the Western Addition was finally being completed, there was still a lot of work to be done with the community. Mr. King stated that the most affected areas by redevelopment were the Hunters Point and Western Addition areas that resulted in the removal of African-Americans from those communities. Mr. King stated that there was a nucleus of African-Americans in the City and the reason why they were no longer here was because of redevelopment that displaced them and sent them to places like Pittsburg, Antioch and the Peninsula. Mr. King stated that he himself had to move to East Palo Alto for eight years because of redevelopment, and the only reason he was able to move back to the City was because the labor union built the housing he could afford. Mr.

King stated he recalled that Justin Herman and redevelopment literally wiped out the African-American community and only four or five percent now lived in San Francisco where it used to be 20 to 22% African-Americans. Mr. King stated he was glad to see the process moving, but would keep an eye to make sure that the Bayview plan was adopted as soon as possible.

Commissioner Breed asked staff to verify the plan adoption schedule.

Mr. Tom Evans, Lead Planner, stated that the goal was to have the Environmental Impact Report and the proposed Redevelopment Plan Amendment before the Commission in February 2006, which would be followed by the Board of Supervisors' consideration and approval.

Executive Director Rosen stated that there was a schedule attached to the memorandum, which showed plan adoption by spring of 2006.

Commissioner Yee stated he recalled comments from the public that the Agency was doing business as usual as it did many years ago, and guaranteed that as long as he was an Agency Commissioner, he would never rubber stamp anything. Mr. Yee stated that he was glad to hear the public input and that he would guarantee the public that the Agency would not conduct business as it used to, because he would stand up to protect the people and would continue doing the job he was supposed to do.

President Peterson stated that he would echo the sentiments of his fellow Commissioners that it was good to see the progress on the Bayview plan, and it was also good to hear the public input, especially the fact that the Agency was being responsive to the concerns raised. Mr. Peterson stated that he had called the Executive Director right after the Commission meeting where members of the PAC addressed the Commission and wanted the public to know that the Commission and staff took the matter seriously, and he was glad to hear that there was progress being made.

- 4 (e) Resolution No. 185-2005, Authorizing a Fifth Amendment to the Personal Services Contract with EIP Associates, a California corporation, in an amount not to exceed \$39,000 for a total aggregate amount not to exceed \$992,000 for consulting services related to the completion of the Environmental Impact Report on the Bayview Hunters Point Redevelopment Plan Amendments; Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Project Areas, Bayview Hunters Point Redevelopment Survey Area

Executive Director Rosen stated that the matter was a follow-up to the workshop on the Bayview plan amendment that would allow staff to proceed with the environmental documentation in order to meet the

proposed plan adoption schedule, and the Commission could just vote on the matter, unless it wanted to hear a staff presentation.

President Peterson asked the Commissioners if they wanted to hear a staff presentation or simply vote on the matter.

There was no public comment on item 4 (e).

The Commission gave its unanimous consent to forego the staff presentation and vote on the matter.

Commissioner King put forth a motion to adopt item 4 (e), and Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 185-2005, AUTHORIZING A FIFTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$39,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$992,000 FOR CONSULTING SERVICES RELATED TO THE COMPLETION OF THE ENVIRONMENTAL IMPACT REPORT ON THE BAYVIEW HUNTERS POINT REDEVELOPMENT PLAN AMENDMENTS; HUNTERS POINT, INDIA BASIN INDUSTRIAL PARK AND BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREAS, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA. BE ADOPTED.

- 4 (f) Resolution No. 186-2005, Authorizing a First Amendment to the Amended and Restated Tenant Improvement Construction Grant Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to increase the grant by an amount not to exceed \$150,000 to a total amount not to exceed \$5,150,000 for the museum facility located at 685 Mission Street, on a portion of Parcel EB-2A, on the south side of Mission Street between New Montgomery and Third Streets; Yerba Buena Center Redevelopment Project Area.

Presenters: Amy Neches (Agency staff)

Speakers: Belva Davis, Denise Bradley

Commissioner King put forth a motion to adopt item 4 (f) and congratulated Ms. Belva Davis and Museum of the African Diaspora board members for their hard work. Mr. King asked if the board of directors would still be

open to representatives of labor and others to be involved, because he would like to see working class people be represented.

Ms. Belva Davis, President of the Museum of the African Diaspora (MoAD), stated that the MoAD did have working class people including teachers and social workers, and the board of directors would be open as four original members who had worked throughout the project, would be leaving the board. Ms. Davis stated that the museum now had a government committee that would look for the talent needed to be successful in the future, and the fundraising would continue. Ms. Davis stated that the board would be open to anyone who would like to apply.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (f).

Commissioner Breed asked where the initial \$5 million funding as well as the additional \$150,000 for the museum would come from.

Ms. Amy Neches, Senior Project Manager, stated that the funds were tax increment funds available in the Yerba Buena Center budget.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 186-2005, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED TENANT IMPROVEMENT CONSTRUCTION GRANT AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT BY AN AMOUNT NOT TO EXCEED \$150,000 TO A TOTAL AMOUNT NOT TO EXCEED \$5,150,000 FOR THE MUSEUM FACILITY LOCATED AT 685 MISSION STREET, ON A PORTION OF PARCEL EB-2A, ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) through 4 (m) are related to the approval of implementation plans

- 4 (g) Public hearing to hear all persons interested in the implementation plan for the Embarcadero Lower-Market (Golden Gateway) Redevelopment Project Area

Approving the implementation plan for the Embarcadero Lower-Market (Golden Gateway) Redevelopment Project Area (Resolution No. 187-2005)

- 4 (h) Public hearing to hear all persons interested in the implementation plan for the Yerba Buena Center Redevelopment Project Area

Approving the implementation plan for the Yerba Buena Center
Redevelopment Project Area (Resolution No. 188-2005)

- (i) Public hearing to hear all persons interested in the implementation
plan for the Rincon Point – South Beach Redevelopment Project
Area

Approving the implementation plan for the Rincon Point – South Beach
Redevelopment Project Area (Resolution No. 189-2005)

- (j) Public hearing to hear all persons interested in the implementation
plan for the Western Addition Redevelopment Project Area A-2

Approving the implementation plan for the Western Addition
Redevelopment Project Area A-2 (Resolution No. 190-2005)

- (k) Public hearing to hear all persons interested in the implementation
plan for the Hunters Point Redevelopment Project Area

Approving the implementation plan for the Hunters Point Redevelopment
Project Area (Resolution No. 191-2005)

- (l) Public hearing to hear all persons interested in the implementation
plan for the India Basin Industrial Park Redevelopment Project
Area

Approving the implementation plan for the India Basin Industrial Park
Redevelopment Project Area (Resolution No. 192-2005)

- (m) Public hearing to hear all persons interested in the implementation
plan for the Mission Bay North and South Redevelopment Project
Areas

Approving the implementation plan for the Mission Bay North and South
Redevelopment Project Areas (Resolution No. 193-2005)

Executive Director Rosen stated staff would ask that items 4 (i) and 4 (m)
relating to the Rincon Point – South Beach and Mission Bay North and
South Implementation Plans respectively, be continued to the December 6th
Commission meeting, and the remainder of the items, 4 (g), (h), (j), (k), and
(l) be continued to the December 20th Commission meeting.

Commissioner Singh put forth a motion to continue the items as staff had
recommended. Commissioner Romero seconded the motion.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR.
ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON
ABSENT) THAT AGENDA ITEMS 4 (i) AND 4 (m) BE CONTINUED
TO THE DECEMBER 6, 2005 COMMISSION MEETING, AND
AGENDA ITEMS 4 (g), (h), (j), (k) AND (l) BE CONTINUED TO THE
DECEMBER 20, 2005 COMMISSION MEETING.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Steven Suzuki, Jon Osaki, Steve Nakajo, John Oda, Carl Williams, Paul Osaki, David Ishida, Netsanet Alemayehu, Charles Spencer, Ace Washington, Arnold Townsend, Agonafer Shiferaw

7. **REPORT OF THE PRESIDENT** None

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen stated she would like to send greetings to Mrs. Mary Rogers who was not feeling well and was at home listening to the radio broadcast of the meeting. Ms. Rosen stated that she had spoken to Mrs. Rogers earlier and sent her best wishes on behalf of the Commission and staff.
- Clean-up of Kimball Park sponsored by district Supervisor Ross Mirkarimi on Saturday, November 19th from 9:00 a.m. to noon at the softball field, Geary Boulevard and Steiner Streets. This would be a community cleanup event.
- Executive Director Rosen stated that because of the public testimony on the Sheba Lounge, she wanted to provide the Commission with some background information. Ms. Rosen stated she would like to send her condolences to Mr. Carl Williams who lost his father recently and was out of town, and prior to that was also out of town on a trial in Stockton. The Agency had paid very, very close attention in an effort to work out the prevailing wage issue. The memorandum for the Commission action in April mentioned the prevailing wage requirement, but it was true that the prevailing wage attachment was not included in the loan documents. Ms. Rosen stated that she did not see the loan documents and was not made aware that the prevailing wage attachment was not included until there was public testimony about the wages paid. However, as the Commission was aware, the matter of prevailing wage was not solely a contractual obligation of any party, rather it was a State law requirement with enforcement power by a State agency. Ms. Rosen stated that it was not within the power of the Redevelopment Agency, the Commission, staff or anyone else, to waive a State law provision under which prevailing wages apply to public works projects. In an effort to remedy

the situation, staff did meet with the principals of Sheba Lounge and Mr. Williams. Under State law, it became a public works project when the public agency approved the public funds, so as of April 19, 2005, all of the work on the tenant improvements was subject to the prevailing wage. Ms. Rosen stated that staff proposed to loan Sheba Lounge the additional \$50,000 necessary to comply with the prevailing wage, which amount was provided by the contractor. Further, staff proposed to waive all interest on that loan for five years in order to support the operations of Sheba Lounge, so that they would have enough revenue for their other operating expenses, and to only start the interest payments in 2010 and have it paid back over a ten-year period, which was what Sheba Lounge requested. Ms. Rosen stated that this would keep Sheba Lounge's payments level and decreasing from the amount they currently owed, and would keep their cash flow the same, and would actually give them a longer period of time to pay back the loans. Ms. Rosen stated staff thought numerous times throughout the negotiations, that they had reached agreement and tried desperately to calendar the matter at today's meeting so that the Commission could approve the additional loan. Ms. Rosen stated that the day before, Mr. Williams sent an e-mail to Deputy General Counsel requesting that the Agency acknowledge in the loan agreements that work done prior to the provision of Agency funds, not be considered subject to prevailing wages. Ms. Rosen stated that the Agency could not do that because State law defined what a public works was, and any work done from the time the Commission approved the loan, would be subject to prevailing wages. The amount offered to lend Sheba Lounge was sufficient to cover the entire prevailing wage controversy. Ms. Rosen stated she had been told that the loan would be signed and that everything was fine, and then another issue would come up. The only issue presented before the Commission meeting, was to exempt some of the work from prevailing wage, and the only way that could happen under State law, was if that work was done outside of the tenant improvements, done separately by the owner of the Fillmore Center and not part of the tenant improvements where the Agency's public funds were being expended. Staff had indicated that if Sheba Lounge could demonstrate that, the Agency would be happy to put that provision in the loan agreement, but the Agency cannot put any provision in the loan agreement that would be in conflict with State law. Ms. Rosen stated she believed that staff had worked in good faith under her direction, to find a remedy that would not be harmful, and to get the funds to Sheba Lounge as quickly as possible, and up until the agenda packet was being prepared the previous Thursday, staff was trying to get the matter on the agenda so that the Commission could consider it. Ms. Rosen stated it had taken her by surprise that the matter was brought before the Commission during public comment, when staff was actively negotiating an equitable remedy to resolve the issue.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated that he heard the Executive Director's explanation and although the proposed remedy sounded good, he disagreed because as a long-time small real estate broker in the City, if he made a mistake that affected his clients, he would be responsible, and in the case of Sheba Lounge, they followed staff's direction. Mr. Yee stated that Sheba Lounge should not be held responsible for not knowing the State law because they were not lawyers, and since they were simply following staff's instructions, they should not bear the costs for the mistake. Mr. Yee stated that Sheba Lounge should remember the specific staff person, date of the discussion and other particulars, just in case they wanted to sue the Agency, although he would not encourage them to sue, because the Agency would work with them to try and resolve the issues. Mr. Yee stated he wanted to address the issue about the 1881 Bush Street matter, to simply state that the Commission heard the Japanese-American community's concerns, and the Agency would do its best to assist not only the Japanese-American community, but also all ethnic communities in San Francisco. Mr. Yee stated that the Japanese-American community could count on his support.
- President Peterson stated that he agreed with Commissioner Yee's statements in general, that the Agency had to stand behind what it says to people with whom it did business, and it sounded like the parties were close to an agreement. Mr. Peterson stated that he applauded the Executive Director and staff's efforts to work with Sheba Lounge to try and come to an agreement, but the process should keep moving forward. Mr. Peterson stated that the matter should not have gone this far and urged staff to resolve the matter.
- Commissioner Breed asked if the money from the original loan could be released before an agreement could be reached on the prevailing wage issue.

Executive Director Rosen stated the concern was that the original loan amount did not include the prevailing wage amount and without the proposed agreement, the Agency would be making a payment towards a wage that did not meet the State law requirement. Whatever the Agency did or not, the project was still subject prevailing wage, and the labor commissioner could enforce prevailing wage potentially with penalties. Ms. Rosen stated that the Agency was really trying to help Sheba Lounge, both to pay the wages that were due under State law and to avoid adverse action by the labor commissioner, and to cure the deficiencies. Staff believed that the agreement was necessary to move the project forward.

- Commissioner Breed asked had the amounts not been amended to reflect the prevailing wage.

Executive Director Rosen stated that the amounts would only be amended if Sheba Lounge would agree to accept the additional \$50,000 loan with the favorable terms, and without that, they would not have the funds necessary to pay for the prevailing wage, so staff was trying to help them comply with the State law. Ms. Rosen stated that the Agency could not put a provision that would exempt certain work from the prevailing wage unless it was consistent with State law.

- Commissioner Breed stated she was not looking for an exemption, but it sounded like what they wanted in the interim, while the agreement was being finalized, was to have money released in order to continue with the project and have the business open.

Executive Director Rosen stated that they could not continue the project with prevailing wages unless they have the additional funds, and that was the problem, and the Agency was trying to get them the additional funds so that they could complete the project.

- Commissioner Breed stated that Sheba Lounge was a woman-owned business that she looked forward to seeing in the Western Addition, and encouraged staff to move aggressively towards resolving the matter, because as a resident of the Western Addition, it was important that the community knew that she was supporting the project. Ms. Breed stated it was also important to recognize that a mistake was made and if the Agency moved as quickly as possible to negotiate an agreement, it would help repair the continual frustration between the Agency and the community. Ms. Breed stated she really wanted to see the matter resolved as quickly as possible and that the Agency recognize, which the Executive Director already did, that mistakes happened, but also understand that the Agency was just giving them a loan, and as Commissioner Yee stated earlier, the Agency should do a lot more than just give them an additional loan with favorable terms, because so much more should be done, but in the interest of time, she would like to see the matter move forward.
- Commissioner King stated it was true that State law required the prevailing wage and the Agency could not do anything about that, but Sheba Lounge invested all of its money on the project and came to the Agency to obtain a loan, which the Agency granted, and they cannot afford the additional costs, so why could the Agency not give them the funds necessary.

Executive Director Rosen stated that if it was the Commission's decision to give Sheba Lounge a grant, it was at the Commission's discretion to do so.. Ms. Rosen pointed out that the prevailing wage was an obligation under the original loan amount that was given, but if it was the Commission's direction to provide a grant, staff could bring that matter at the next Commission meeting.

- Commissioner King stated that the Agency had been trying to revive the Western Addition community and to bring businesses in the area and there was an opportunity to do that with Sheba Lounge. Mr. King stated he would like to see the matter at the next Commission meeting.
- Commissioner Romero stated that he supported the loan for Sheba Lounge and was disappointed that the conflict had grown, but Sheba Lounge had the right to come to the meeting and lodge their views to the Commission. Mr. Romero stated he was glad to hear that staff had been negotiating to resolve the issue, and he did not know if mistakes were made or not, but would like to see the matter calendared on the next agenda so that the public is notified and an informed discussion decision could take place. Mr. Romero stated he was not comfortable discussing the merits of the dispute without having all of the facts.
- Commissioner Yee put forth a motion to have an agenda item about the Sheba Lounge at the next Commission meeting. Mr. Yee stated that in the eyes of the law, there was no excuse for the ignorance of law, but staff made the mistake and not Sheba Lounge, and they should not be penalized for the mistake. Mr. Yee stated that in his opinion, the Agency was supposed to guide them to the right direction, and not the wrong direction. Mr. Yee stated that he appreciated the input from the public so that the Agency could do a better job in serving the public.
- Commissioner Singh asked if Sheba Lounge requested a loan or a grant from the Agency.

Executive Director Rosen stated that Sheba Lounge requested a loan with payment terms that would not be onerous and would not increase their monthly debt service, as well as a longer repayment period, and staff agreed to make that recommendation to the Commission.

- Commissioner Singh stated that he sympathized with Sheba Lounge and if it was appropriate to give them a grant, the Agency should do that because the Agency would like very much to help them with opening their business. Mr. Singh seconded Commissioner Yee's motion to have an agenda item about the Sheba Lounge at the next Commission meeting.

- Commissioner Breed stated she thought that the Agency needed to move forward and to work out a deal that worked for both parties, and she did not necessarily agree that the entire amount should be loan or a grant. Ms. Breed stated that both parties made mistakes and there was a need to move forward. Ms. Breed stated she agreed with Commissioner Yee's statements that staff, who had knowledge of the law, should have communicated that to Sheba Lounge, because there may be other small business owners who may not be aware of all the policies and procedures on prevailing wage. Ms. Breed stated she would urge staff to communicate clearly on issues such as prevailing wage to ensure that the community was well informed of all the requirements, and the community should be know that there may be requirements that they were not aware of, but should ask questions and to work together with the Agency. Ms. Breed stated that both parties should step up to the plate, put aside the differences, and deal with the issues and move forward.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, TO HAVE AN AGENDA ITEM TO DISCUSS THE SHEBA LOUNGE MATTER AT THE NEXT COMMISSION MEETING, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Breed
Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Romero
Mr. Peterson

AND THE FOLLOWING WERE ABSENT:

Ms. Covington

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

10. CLOSED SESSION

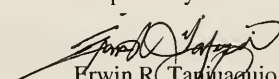
- (a) Pursuant to Government Code §54956.8 to confer with the Agency's real property negotiators in connection with the Emeric-Goodman Building, 1109-1121 Geary Boulevard, Assessors Block 714, Lot 18; Western Addition Redevelopment Project Area A-2. Agency negotiators: Marcia Rosen, Olson Lee, James B. Morales, Gaynell Armstrong, and Sally Oerth.
- (b) Pursuant to Government Code §54956.8 to confer with the Agency's real property negotiators with respect to renegotiation of the Disposition and Development Agreement and related documents. The property is located at 1881 Bush Street, San Francisco, California, 94109, Parcels 674 -C & F, Western Addition A-2 and the owner of the property with whom the Agency may negotiate with is Japanese American Religious Federation Assisted Living Facility, Inc. and its lender National Cooperative Bank Development Corporation. Agency negotiators: Olson Lee, Judy, Eng, David Sobel and Tracie Reynolds.
- (c) Pursuant to Government Code §54956.8 to confer with the Agency's real property negotiators with respect to price and terms of payment. The property is the former Hunters Point Naval Shipyard in the Hunters Point Shipyard Redevelopment Project Area. Agency Negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Erinn Lopez and Nicole Franklin.

Item 10 (c) was continued to the next Commission meeting.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:34 p.m. The November 15, 2005 Commission meeting was adjourned in memory of Mr. Kenneth Graddick.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

December 6, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
6TH DAY OF DECEMBER 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of December 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT

And the following were absent:

AUG 23 2006

Francee Covington

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE NOVEMBER 15, 2005 COMMISSION MEETING

- (a) Public hearing, approving the implementation plan for the Rincon Point – South Beach Redevelopment Project Area (Resolution No. 189-2005)
- (b) Public hearing, approving the implementation plan for the Mission Bay North and South Redevelopment Project Areas (Resolution No. 193-2005)

Executive Director Rosen stated that staff would request continuance of the items to the December 20, 2005 Commission meeting as staff had a little bit more difficulty in analyzing the data required by recent changes to State law than what was anticipated, and staff would have all of the implementation plans prepared for the next Commission meeting.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEMS 3 (a) PUBLIC HEARING, APPROVING THE IMPLEMENTATION PLAN FOR THE RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA (RESOLUTION NO. 189-2005), AND 3 (b) PUBLIC HEARING, APPROVING THE IMPLEMENTATION PLAN FOR THE MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS (RESOLUTION NO. 193-2005), BE CONTINUED TO THE DECEMBER 20, 2005 COMMISSION MEETING.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of November 15, 2005
- 4 (b) Resolution No. 194-2005, Approving an amendment to the overall development plan for Parcel X4 to extend the schedule of performance, pursuant to an Owner Participation Agreement with X-4 Dolphin LLC, a Delaware limited liability company; Mission Bay South Redevelopment Project
- 4 (c) Resolution No. 195-2005, Authorizing staff to extend the term by six months and increase the budget by \$20,000, for a total aggregate amount not to exceed \$120,000; for the Agency's panel of surveying and mapping firms; All Redevelopment Project Areas and Survey Areas
- 4 (d) Resolution No. 196-2005, Authorizing a Second Amendment to the Personal Services Contract with the Corporation for Supportive Housing, a Delaware-based nonprofit corporation, for a three-month extension, beginning January 1, 2006 and ending March 31, 2006, for as-needed technical assistance services to supportive housing developers and operators; Citywide Tax Increment Housing Program

Commissioner King requested that items 4 (b), (c) and (d) be withdrawn from the consent agenda, and stated he wanted to speak on all three items.

The Commission voted on consent agenda item 4 (a).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF NOVEMBER 15, 2005, BE ADOPTED.

Staff presented on the remaining consent agenda items.

- 4 (b) Resolution No. 194-2005, Approving an amendment to the overall development plan for Parcel X4 to extend the schedule of performance, pursuant to an Owner Participation Agreement with X-4 Dolphin LLC, a Delaware limited liability company; Mission Bay South Redevelopment Project

Presenters: Amy Neches (Agency staff)

Commissioner King stated he had no problem with the item and put forth a motion to adopt item 4 (b). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 194-2005, APPROVING AN AMENDMENT TO THE OVERALL DEVELOPMENT PLAN FOR PARCEL X4 TO EXTEND THE SCHEDULE OF PERFORMANCE, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH X-4 DOLPHIN LLC, A DELAWARE LIMITED LIABILITY COMPANY; MISSION BAY SOUTH REDEVELOPMENT PROJECT, BE ADOPTED.

Commission Secretary Erwin R. Tanjuaquio began to read items 4 (c) and (d), and Commissioner King put forth a motion to adopt item 4 (c).

Executive Director Marcia Rosen asked if the Commission would like to dispense with the staff presentations on items 4 (c) and (d). The Commission gave its unanimous consent to forego the staff presentations.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT 4 (c) RESOLUTION NO. 195-2005, AUTHORIZING STAFF TO EXTEND THE TERM BY SIX MONTHS AND INCREASE THE BUDGET BY \$20,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$120,000; FOR THE AGENCY'S PANEL OF SURVEYING AND MAPPING FIRMS; ALL REDEVELOPMENT PROJECT AREAS AND SURVEY AREAS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 196-2005, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE CORPORATION FOR SUPPORTIVE HOUSING, A DELAWARE-BASED NONPROFIT CORPORATION, FOR A THREE-MONTH EXTENSION, BEGINNING JANUARY 1, 2006 AND ENDING MARCH 31, 2006, FOR AS-NEEDED TECHNICAL ASSISTANCE SERVICES TO SUPPORTIVE HOUSING DEVELOPERS AND OPERATORS; CITYWIDE TAX INCREMENT HOUSING PROGRAM , BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No.197-2005, Memorializing and commending the contributions of Jo Mae Garry to the Redevelopment Agency of the City and County of San Francisco

Presenters: Ayisha Benham (Agency staff)

Commissioner Singh stated that when he first came to the Agency Commission, he recalled seeing Ms. Garry at the reception desk, but did not know her name. Mr. Singh stated that Ms. Garry was always very pleasant and a wonderful person, and that he would personally miss her. Mr. Singh put forth a motion to adopt item 4 (e).

Commissioner King stated he recalled that Ms. Garry was always very nice and pleasant to the Commissioners whenever they came to the Agency offices, and he would miss her very much. Mr. King seconded Commissioner Singh's motion to adopt item 4 (e).

President Peterson stated he would echo the sentiments of his fellow Commissioners and that it was appropriate to memorialize and commend the contributions of Ms. Jo Mae Garry.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (e) RESOLUTION NO.197-2005, MEMORIALIZING AND COMMENDING THE CONTRIBUTIONS OF JO MAE GARRY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (f) Status report on the Sheba Lounge loan agreements and consideration of the Agency's proposal to increase the tenant improvement loan portion of the various construction loans to Sheba Lounge, LLC, a California limited liability company, by \$100,000 for an aggregate amount not to exceed \$300,000 and to make other related amendments to the loans associated with the Sheba Lounge located at 1419 Fillmore Street; Western Addition Redevelopment Project Area A-2

Presenters: Marcia Rosen (Agency staff)

Speakers: Nancy Ingwersen, Rev. Arnold Townsend, Randall Evans, Jenny McNulty, Ace Washington, Netsanet Alemayehu, Sophia Carmella, Charles Spencer

Commissioner Breed requested verification that the reason why Sheba Lounge was charged the 6% interest rate on the loan was because the Agency had waived the collateral requirement for the loan.

Executive Director Rosen affirmed that the reason why Sheba Lounge was charged the 6% interest rate on the loan was because the Agency had waived the collateral requirement for the loan.

Commissioner Breed stated that as a long-time resident of the Western Addition community, she understood the issues that had continually faced the community, and that was the fact that many of her friends and family and other members of the community could no longer afford to live in the Western Addition. Ms. Breed stated that there was a new group of people that would come in to the community and think they knew what was best for the community, and as far as she was concerned, a lot of her friends and family members were being shut out of the process. Ms. Breed stated that was why it was important for Commissioners like her and Mr. King to make sure that they dealt with the Agency and the community in a fair manner, and she had always done what was in the best interest of her community. Ms. Breed stated that she was extremely happy to see Sheba Lounge come to the community, but unfortunately, it had divided members of the community, and she was hopeful of a solution. Ms. Breed stated that in the first place, the prevailing wage issue would not go away, and she would propose that not only would the Agency offer to give the loan of up to \$100,000, but also to lower the interest rate from 6% to 3.25%, and continue to defer the payments for five years. Ms. Breed stated she thought that by proposing this solution to a complex and unfortunate mistake, it would show not only good faith from the Agency, but also allow the project to move forward in a timely manner. Ms. Breed stated she wanted to be clear that the prevailing wage would not start on this particular project, until the loan documents were approved by the Agency, and that she understood that people trying to do business in the Western Addition had to confront a lot of

obstacles. Ms. Breed stated that unless one was personally impacted by the murders in the community, one could never understand what members of the community went through, and seeing long-time friends that they played with or were raised together, die on the streets, was truly sad. Ms. Breed shared that recently, one of the kids from the recording studio was killed, and although members of the community were directly impacted by the violence, they also needed to support one another and stop the divisiveness among members of the community. Ms. Breed stated she believed that there was no other reasonable solution to the problem than to lower the interest rate and defer the payment of the loan, and that would more than compensate for the unfortunate mistake that occurred and it was time to move forward with the project. Ms. Breed stated she understood that the payment would already be deferred for five years, and hoped that the Commission would support her amendment to lower the interest rate of the loan from 6% to 3.25%.

Commissioner King stated that he had discussed the issue with Commissioner Breed since they both lived in the community, and that he certainly supported her proposed amendment. Mr. King stated it was unfortunate that the matter had escalated to this point, but the Agency needed to do all it could to solve the problem. Mr. King stated he recalled suggesting that a grant be given to Sheba Lounge, but realized that the Agency could not just give the money, but lowering the interest rate as Commission Breed had proposed, was a good compromise that would allow the project to move forward. Mr. King stated his support for Commissioner Breed's proposed amendment.

Commissioner Yee stated that it was his suggestion to calendar the matter before the Commission in order to provide opportunity for the public to address the Commission. Mr. Yee stated he whole-heartedly supported Commissioner Breed's proposed amendment. Mr. Yee stated that since the project was required to pay prevailing wages, and because staff did not inform the business owners of the requirement, which resulted in higher costs than originally planned, asked staff if it knew the exact amount needed to pay the prevailing wages for the project.

Executive Director Rosen stated that staff had proposed to Sheba Lounge that the Commission would be asked to consider an amount up to \$100,000 additional, but that they would only borrow the amount needed to pay the prevailing wages, because the exact amount could not be determined until the certified payroll was received from the sub-contractors.

Commissioner Yee asked if staff had a way of calculating the exact amount needed to pay for the prevailing wages.

Executive Director Rosen stated that they had a budget when they first applied for the Agency loan, and they also received a loan from the Mayor's Office of Community Development as well as a \$150,000 tenant improvement allowance from their landlord, so they had an overall budget for the project, but the Agency had no way of knowing how much of their budget was included for prevailing wages since the budget was not broken down between labor and materials. Ms. Rosen stated that based on the amount paid to the sub-contractors, staff made an estimate just to be cautious, assuming that every dollar was subject to prevailing wage, and staff was hoping that some of the workers had already been paid prevailing wages. Ms. Rosen stated that staff's loan proposal indicated in the Commission memorandum or Commissioner Breed's proposed amendment to lower the interest rate, would authorize enough money, staff believed, to pay all outstanding wage claims, and they may not need all of the \$100,000 amount.

Commissioner Yee asked why Sheba Lounge did not execute the proposed loan agreement after agreeing at a meeting with Agency staff, as reported by the Executive Director.

Executive Director Rosen stated she could not speak for the owners, but they did send the Commission a letter proposing different loan terms.

Commissioner Yee stated he hoped that his fellow Commissioners understood that Sheba Lounge was not totally at fault and as human beings, everyone was subject to mistakes, but in his opinion, if there was a mistake made by staff, the Agency should provide a reasonable compensation to the business owner. Mr. Yee stated that if Commissioner Breed had not made her proposal to reduce the interest rate, he would have recommended full compensation of the excess amount that resulted from Agency staff's oversight. Mr. Yee stated that if Sheba Lounge was agreeable to Commissioner Breed's proposed amendment to reduce the interest rate of the loan, he would support the amendment.

Commissioner Romero stated that all of the facts had been brought out and discussed, and this was the third time the matter had been before the Commission, and recalled the first time the project was before the Commission, which he supported and continued to hope that Sheba Lounge would be a success in the Western Addition. Mr. Romero stated that his only concern was with the process, that it raised a question in his mind when someone that the Agency was negotiating with, and they tell the Agency staff that they agreed with something, and then turned and backed away from the agreement or changed the terms of the agreement. Mr. Romero urged Sheba Lounge to reach an agreement with Agency staff and stick to it, so that the Commission could approve the matter as soon as possible. Mr. Romero stated that he would not comment anymore on the terms of the

proposed additional loan as his fellow Commissioners had made their views known, and that staff would carefully consider Commissioner Breed's proposed amendment and hoped that Sheba Lounge would also carefully consider, because he would like to see the matter resolved. Mr. Romero stated that in order to have the matter resolved quickly, Sheba Lounge would have to be decisive about their position and stick to it.

Commissioner Singh stated that the project had languished too long, while the area remained blighted and crime-ridden. Mr. Singh stated he agreed with Commissioner Breed's proposed amendment, and urged Sheba Lounge to continue negotiating with Agency staff to come up with a resolution.

Commissioner Breed stated she wanted to clarify for Commissioner Yee that the reason why she would not support a grant to Sheba Lounge, was because it would impact the budget for the Western Addition, and she wanted to make sure that there were available funds for other businesses who may want to apply. Ms. Breed stated there were limited funds available for such purposes and there was no place else where one could find a loan with deferred payment at 3.25% interest rate for a business other than the Redevelopment Agency. Ms. Breed stated she thought that was a fair compromise and understood the difficulty of doing business at that location, and that she had really thought about all of the issues and wanted to be fair to both parties in proposing the amendment. Ms. Breed stated that as much as she wanted to give money away, which she did in her work to support the arts as the executive director of the African-American Art and Culture Complex, she also needed to be responsible both as a life-long community member as well as an Agency Commissioner.

Commissioner Yee stated that in response to Commissioner Breed, he was not concerned with any impact on the Agency's budget, because when Agency staff made the mistake, the Agency should not allow the public to suffer the consequences and take the responsibility. Mr. Yee stated he also agreed with Commissioner Romero's statements that once people agreed with staff on the terms of any transaction, they should stick with and abide by the agreed-upon terms.

President Peterson stated he believed that the Commission was willing to approve an amended version of the staff-proposed loan agreement.

Executive Director Rosen stated that following consultation with General Counsel, if the Commission wanted to move on Commissioner Breed's proposed amendment to the proposed additional loan to Sheba Lounge, the Commission could approve the proposed amendment, subject to the borrower's execution of the loan agreement, and the matter would not have to come back to the Commission.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT THE EXECUTIVE DIRECTOR IS AUTHORIZED TO EXECUTE WITH SHEBA LOUNGE THE PROPOSED ADDITIONAL LOAN OF UP TO \$100,000, TO REDUCE THE LOAN INTEREST RATE FROM 6% TO 3.25% AND TO WAIVE INTEREST PAYMENTS FOR FIVE YEARS WITH OTHER TERMS AS DESCRIBED IN THE COMMISSION MEMORANDUM.

Items 4 (g) and (h) were presented together and acted upon separately.

- 4 (g) Resolution No. 198-2005, Authorizing an Owner Participation Agreement with White Cap Construction Supply, Inc., a Delaware corporation, for the proposed development at 200 Jennings Street, located at the corner of Jennings and Newhall Streets (Assessor's Block 4570, Lot 23); India Basin Industrial Park Redevelopment Project Area
- 4 (h) Resolution No. 199-2005, Conditionally approving the schematic design for the proposed development of a storage/ warehouse building and other site improvements by White Cap Construction Supply, Inc., a Delaware corporation, at 200 Jennings Street, located at the corner of Jennings and Newhall Streets (Assessor's Block 4570, Lot 23); India Basin Industrial Park Redevelopment Project Area

Presenters: Tiffany Bohee, Walter Yanagita (Agency staff)

Commissioner Romero stated the project looked good and put forth motions to adopt items 4 (g) and (h).

Commissioner Singh seconded the motions to adopt items 4 (g) and (h).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 198-2005, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH WHITE CAP CONSTRUCTION SUPPLY, INC., A DELAWARE CORPORATION, FOR THE PROPOSED DEVELOPMENT AT 200 JENNINGS STREET, LOCATED AT THE CORNER OF JENNINGS AND NEWHALL STREETS (ASSESSOR'S BLOCK 4570, LOT 23); INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 199-2005, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE PROPOSED DEVELOPMENT OF A STORAGE/ WAREHOUSE BUILDING AND OTHER SITE IMPROVEMENTS BY WHITE CAP CONSTRUCTION SUPPLY, INC., A DELAWARE CORPORATION, AT 200 JENNINGS STREET, LOCATED AT THE CORNER OF JENNINGS AND NEWHALL STREETS (ASSESSOR'S BLOCK 4570, LOT 23); INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution No. 200-2005, Approving a three-year personal services contract for fiscal agent and administrative services for the South of Market Project Area Committee with the San Francisco Community Clinic Consortium, a California non-profit public benefit corporation, and a first-year budget in an aggregate amount not to exceed \$193,423, subject to appropriations; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Speakers: Henry Karnilowicz, Antoinetta Stadlman III

Commissioner Yee stated he wanted to thank Ms. Cathy Pickering for guiding him at the Museum of the African Diaspora gala event the previous Friday evening. Mr. Yee put forth a motion to adopt item 4 (i).

Commissioner Singh seconded Commissioner Yee's motion to adopt item 4 (i).

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 200-2005, APPROVING A THREE-YEAR PERSONAL SERVICES CONTRACT FOR FISCAL AGENT AND ADMINISTRATIVE SERVICES FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE WITH THE SAN FRANCISCO COMMUNITY CLINIC CONSORTIUM, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, AND A FIRST-YEAR BUDGET IN AN AGGREGATE AMOUNT NOT TO EXCEED \$193,423, SUBJECT TO APPROPRIATIONS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Resolution No. 201-2005, Authorizing exclusive negotiations with Zimmer Gunsul Frasca Partnership for a personal services contract to prepare a streetscape and open space plan for the Transbay Redevelopment Project Area; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 201-2005, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH ZIMMER GUNSUL FRASCA PARTNERSHIP FOR A PERSONAL SERVICES CONTRACT TO PREPARE A STREETSCAPE AND OPEN SPACE PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 202-2005, Authorizing a First Amendment to the Personal Services Contract with Seifel Consulting, Inc., a California corporation, to prepare redevelopment plan documents for adoption, in an amount not to exceed \$275,000; Visitacion Valley Survey Area

Presenters: Tom Evans (Agency staff)

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT IEM 4 (k) RESOLUTION NO. 202-2005, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH SEIFEL CONSULTING, INC., A CALIFORNIA CORPORATION, TO PREPARE REDEVELOPMENT PLAN DOCUMENTS FOR ADOPTION, IN AN AMOUNT NOT TO EXCEED \$275,000; VISITACION VALLEY SURVEY AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Dan Dodt

7. REPORT OF THE PRESIDENT

- President Peterson shared that he was part of Mayor Newsom's delegation on his trip to China and survived the long flights by reading Robert's Rules of Order and found sections that would be of interest to his fellow Commissioners. Mr. Peterson stated that he would provide

the material before the next meeting for the Commissioners' consideration. Mr. Peterson stated that the relevant sections addressed a few of the points that the Commission previously had parliamentary debate over, and would clarify for him some of the various aspects of the Commissioners' debate and taking of the floor and other procedures.

- President Peterson shared he learned that Shanghai China, in the last 25 years of the sister-city relationship between Shanghai and San Francisco, Shanghai had built 5,000 buildings that were 40 stories or taller, which was the equivalent of a building completion rate of one 40-story building, every other day for the last 25 years – 5,000 buildings. Shanghai was now a bigger city than New York City with 17 million people, and the skyline of Shanghai dwarfed the Manhattan skyline.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Museum of the African Diaspora ribbon-cutting ceremony held on November 27th, which was very successful with over \$10,000 of sales at the museum gift store. Commissioners Breed, Singh and Yee were in attendance.
- Museum of the African Diaspora black-tie gala event held on December 1st. All of the Commissioners were in attendance except for President Peterson who was out of the country.
- Earlier in the day (December 6th), the Board of Supervisors gave its final approval to the South of Market Redevelopment Plan Amendment. Ms. Rosen stated she wanted to acknowledge the continued participation of the South of Market Project Area Committee members throughout the plan amendment process.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he was still a bit concerned with the Sheba Lounge matter, because with his 40 years of real estate experience, he knew that the restaurant business was a very tough business, and recalled reading that they had several loans, including a Façade Improvement, Building Assistance and Tenant Improvement loans. Mr. Yee asked about the loan from the Mayor's Office of Community Development, and what the total amount of loans they had, all together.

Executive Director Rosen stated that when the Commission approved the original loan for Sheba Lounge in April 2005, they also had a \$100,000 loan from the Mayor's Office of Community Development. Ms. Rosen stated

that they had a total budget of \$615,000 originally, and the Commission just approved up to \$100,000 in an additional loan, which would bring the total project budget up to \$715,000. Ms. Rosen stated that \$120,000 of that total amount was the borrower's equity. In working with the borrower, they told the Agency the monthly amount they could afford to pay, and the proposal that was previously before the Commission kept the monthly amount they could afford to pay, and by the action that the Commission took earlier in the meeting by reducing the interest rate on the loan, the monthly payment would be lower than before.

- Commissioner Yee stated he hoped for their success because the restaurant business was very risky. Mr. Yee asked how many partners were involved with Sheba Lounge. Mr. Yee asked what their financial background was and if they owned other properties, because there was not a lot of equity in the current project.

Executive Director Rosen stated that according to documents provided by Sheba Lounge, only the two sisters were the business partners. Ms. Rosen stated that their financial background was looked into when they first applied for their financing in April 2005, and believed that was why the Commission imposed the 6% interest rate because they had no other collateral to pledge as security for the loans, and they otherwise would not have qualified for the Agency's loan program, so essentially, the Commission determined to make an exception for Sheba Lounge in order to help them out. Ms. Rosen stated the Mayor's Office of Community Development required security for their \$100,000 loan, and they took a security interest in the restaurant's fixtures, even though the Agency was actually paying for the fixtures. Ms. Rosen stated that Sheba Lounge was confident because of their prior business experience, and under the terms of the Agency loans, believed that they would be successful, and the Agency wished them the best of luck.

- Commissioner Yee stated he understood and without adequate financial backing, the already risky restaurant business would be more risky.
- Commissioner King stated he wanted to let President Peterson know that every one of the Commissioners had copies of Robert's Rules of Order and the Agency's bylaws, and wanted to assure him that each Commissioner was fully aware of the rules and procedures.
- President Peterson stated he knew that the Commissioners were aware of the rules and procedures, but there had been some recent debate in the last few Commission meetings, and thought that it might be a good idea for all of the Commissioners to get reoriented with some of the parliamentary procedures.

- Commissioner Breed stated that she looked forward to the Commission retreat and hoped that it could be scheduled soon, so that the Commissioners could discuss ways of facilitating more efficient meetings.
- Commissioner Breed announced that the memorial service for Ms. Cheryl Towns was scheduled to be held at the Museum of the African Diaspora on Wednesday, December 14th, from 5:00 to 8:00 p.m.
- Commissioner Yee inquired about the Plaza Apartments and asked when the exact completion date was, and if there had been a grand-opening ceremony.

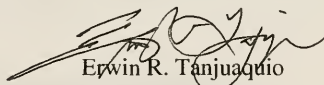
Executive Director Rosen stated that staff was expecting the temporary certificate of occupancy any day now, according to the Department of Building Inspection, and the rent-up of the units had already started. Ms. Rosen stated that the Commission was provided a copy of the PIDC board meeting packet that was held on November 29th, which included a report and update on the Plaza Apartments. Ms. Rosen stated that a ribbon-cutting ceremony was scheduled for sometime in January or February 2006, and the Commission would be provided ample notice for the celebration.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

December 20, 2005

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
20TH DAY OF DECEMBER 2005

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of December 2005, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

AUG 23 2006

Francee Covington

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE NOVEMBER 15, AND DECEMBER 6, 2005 COMMISSION MEETINGS

- (a) Public hearing, approving the implementation plan for the Embarcadero Lower-Market (Golden Gateway) Redevelopment Project Area (Resolution No. 187-2005)

- (b) Public hearing, approving the implementation plan for the Yerba Buena Center Redevelopment Project Area (Resolution No. 188-2005)
- (c) Public hearing, approving the implementation plan for the Rincon Point – South Beach Redevelopment Project Area (Resolution No. 189-2005)
- (d) Public hearing, approving the implementation plan for the Western Addition Redevelopment Project Area A-2 (Resolution No. 190-2005)
- (e) Public hearing, approving the implementation plan for the Hunters Point Redevelopment Project Area (Resolution No. 191-2005)
- (f) Public hearing, approving the implementation plan for the India Basin Industrial Park Redevelopment Project Area (Resolution No. 192-2005)
- (g) Public hearing, approving the implementation plan for the Mission Bay North and South Redevelopment Project Areas (Resolution No. 193-2005)

Executive Director Rosen stated that as she had informed the Commission in an informational memorandum on December 16th, the items would not be ready for Commission action and in order to maximize public participation, the public hearings would be re-noticed. Due to the notice requirements of the California Community Redevelopment Law, the earliest that there could be public hearings would be if the Commission held a special meeting on January 31, 2006, but the Commission would be kept informed. Ms. Rosen stated that since the public hearings would be re-noticed for another date, it would be in order for the Commission to table the items until further notice.

Speakers: Francisco Da Costa

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT), THAT UNFINISHED BUSINESS ITEMS 3 (a) THROUGH 3 (g) BE TABLED UNTIL FURTHER NOTICE.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of December 6, 2005
- 4 (b) Resolution No. 204-2005, Authorizing a Seventh Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, ("MEI") a California nonprofit public benefit corporation and California Properties of Woman's Division, Inc., a California nonprofit public benefit corporation, to

modify the Grant Agreement to reallocate funds between budget line items, for 88 low-and very-low income rental units for women, 1040 Bush Street; Citywide Tax Increment Housing Program

Speakers: Francisco Da Costa

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF DECEMBER 6, 2005 AND 4 (b) RESOLUTION NO. 204-2005, AUTHORIZING A SEVENTH AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH INN, ("MEI") A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION AND CALIFORNIA PROPERTIES OF WOMAN'S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO MODIFY THE GRANT AGREEMENT TO REALLOCATE FUNDS BETWEEN BUDGET LINE ITEMS, FOR 88 LOW-AND VERY-LOW INCOME RENTAL UNITS FOR WOMEN, 1040 BUSH STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (c) Election of President and Vice President (calendar year 2006)

President Peterson entertained nominations for the office of President.

MS BREED NOMINATED MR. PETERSON FOR THE OFFICE OF PRESIDENT. MR. ROMERO SECONDED THE NOMINATION.

Commissioner King stated he would vote for Mr. Peterson, but he would like the Commission retreat that had been suggested months ago, to be scheduled as soon as possible so that the new Commissioners would have the opportunity to gain full knowledge of the Agency's programs and to get to know the people that come before the Commission. Mr. King stated that the President and Vice-President have not formed their own opinions and only followed the Executive Director's recommendations on matters being considered by the Commission.

President Peterson stated that he had just received word from the Mayor's Office that the retreat would be scheduled in February 2006, and that he and executive staff had been working with the Mayor's Office on scheduling the retreat for the past two months, and did not deem it appropriate to schedule the retreat presently because Commissioner Covington's attendance might be in question, given that she was the one who originally suggested the

retreat. Mr. Peterson stated he did not think that Commissioner King's characterization of his level of knowledge of redevelopment was accurate, and that he would never have enough time to meet with every single potential advocate or contractor that would come before the Commission, but believed that was not his main responsibility as a Commissioner.

Commissioner Yee put forth a point of order and requested an opinion from the General Counsel.

General Counsel James B. Morales stated that the matter before the Commission was the nomination for President, and the discussion perhaps, should be limited to that, followed by the closing of nominations, public comment, and then a vote by the Commission.

President Peterson called for any other nominations for the office of President. There was none. Mr. Peterson closed the nominations.

Speakers: Francisco Da Costa

THE COMMISSION VOTED UNANIMOUSLY (MS. COVINGTON ABSENT) TO ELECT MR. PETERSON AS THE COMMISSION PRESIDENT.

President Peterson entertained nominations for the office of Vice-President.

MR. ROMERO NOMINATED MS. BREED FOR THE OFFICE OF VICE-PRESIDENT. MR. SINGH SECONDED THE NOMINATION.

President Peterson called for any other nominations for the office of Vice-President. There was none. Mr. Peterson closed the nominations.

THE COMMISSION VOTED UNANIMOUSLY (MS. COVINGTON ABSENT) TO ELECT MR. BREED AS THE COMMISSION VICE-PRESIDENT.

- 4 (d) Resolution No. 205-2005, Authorizing an expenditure of funds in an amount not to exceed \$419,045 to One South Associates, LLC, a Delaware limited liability company, pursuant to the Agency's sublease with the City and County of San Francisco for costs in excess of the Agency's portion of the tenant improvement allowance for the fifth floor of One South Van Ness Avenue; and authorizing execution of a letter agreement with the City and County of San Francisco's Department of Telecommunications and Information Services in an amount not to exceed \$144,300 for the purchase and installation of telephone equipment at One South Van Ness Avenue

Presenters: Tracie Reynolds (Agency staff)

Speakers: Francisco Da Costa

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 205-2005, AUTHORIZING AN EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED \$419,045 TO ONE SOUTH ASSOCIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, PURSUANT TO THE AGENCY'S SUBLEASE WITH THE CITY AND COUNTY OF SAN FRANCISCO FOR COSTS IN EXCESS OF THE AGENCY'S PORTION OF THE TENANT IMPROVEMENT ALLOWANCE FOR THE FIFTH FLOOR OF ONE SOUTH VAN NESS AVENUE; AND AUTHORIZING EXECUTION OF A LETTER AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO'S DEPARTMENT OF TELECOMMUNICATIONS AND INFORMATION SERVICES IN AN AMOUNT NOT TO EXCEED \$144,300 FOR THE PURCHASE AND INSTALLATION OF TELEPHONE EQUIPMENT AT ONE SOUTH VAN NESS AVENUE, BE ADOPTED.

- 4 (e) Resolution No. 206-2005, Authorizing a Personal Services Contract with Arc Ecology, a California nonprofit corporation, to provide environmental outreach and information services to the Bayview Hunters Point community for a term of one year, with two 1-year extension options, in an amount not to exceed \$283,500 per year, for a total aggregate amount not to exceed \$850,500; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Francisco Da Costa, Espanola Jackson, Joe Blue, Oscar James, Marcia Dale-LeWinter, Dr. Raymond Tompkins, Angelo King, Peggy Huff, Scott Madison, Keith Tisdell, Ronald Jones, Jesse Mason, Alex Lantsberg, John Dauer

Commissioner Yee stated he believed that everyone understood the need to clean-up the toxics in the Shipyard as soon as possible, and that he looked forward to that day. Mr. Yee stated he recalled that about a year ago, the Agency awarded a security services contract for the Shipyard to Personal Protective Services, which according to Agency staff was selected unanimously by a selection panel, and then about a month later, the Commission rescinded the resolution awarding the contract because of irregularities with the contractor. Mr. Yee requested verification of his recollection.

Ms. Nicole Franklin, Project Manager, affirmed that the Commission did rescind the resolution that awarded the security services contract to Personal Protective Services.

Commissioner Yee stated that the reason why he brought up the Personal Protective Services contract was because only Arc Ecology was presented before the Commission, and the other applicants for the environmental outreach services were not before the Commission, and the Commission was not provided with the ranking for the selection of Arc Ecology and the other applicants. Mr. Yee stated that the Commission could not make a decision without all of the information on the selection of the contractor.

Ms. Franklin stated that she would defer the question to Executive Director Rosen, but that the Commission was provided with a copy of a letter to one of the respondents to the Request for Proposals (RFP) for the scoring sheets for each of the applicants.

Executive Director Rosen stated she believed that the Commission was provided a copy of the draft RFP, which set forth the selection process, including ranking by a selection committee, interviews and rankings of the completed responses, and a recommendation to the Commission. Ms. Rosen stated this was generally how a competitive process was run by the Agency. Staff had provided a lot of information to the Commission about the recommended contractor and had completed its due diligence as spelled-out in the RFP. Ms. Rosen stated that as the Commission would note in the rankings provided, Arc Ecology scored 20 points above the next applicant.

Commissioner Yee stated he must have overlooked the information in his packet because he had not seen the rankings of the applicants, and asked when the information was provided to the Commission.

Executive Director Rosen stated that the ranking information was provided to the Commission before the start of the Commission meeting.

Commissioner Yee stated it was ridiculous for the Executive Director to provide the information on the same day of the Commission meeting when the Commission was expected to make a decision on the matter. Mr. Yee stated that the Commission would not have time to digest all of the information if it was provided on the day of the Commission meeting, and that he believed that was not the right way to treat Commissioners.

Executive Director Rosen stated that staff provided the Commission with an informational memorandum that provided the background, analysis, and selection process, and had provided the RFP at the beginning of October 2005, which set forth the selection criteria and was vetted through a public process at the Citizens' Advisory Committee before it was presented to the

Commission. The Commission had the draft RFP for one week before it was released publicly, and Commissioners had not brought up concerns or questions. The selection process was consistent with long-standing Agency practice and policy and conducted in conformance with the Agency's Purchasing Policy.

Commissioner Yee asked if staff had checked any conflict of interest that might exist for Arc Ecology, and if there were any outstanding lawsuits against them.

Ms. Franklin stated that she had met with the Executive Director and the General Counsel to review all five responses to the RFP and deemed that there was no conflict of interest for Arc Ecology. Ms. Franklin stated that staff followed Agency policy and checked all of the applicants' responses to the disclosure questions that the Commission had previously approved.

Commissioner Yee stated that staff had previously stated that it checked the references for Personal Protective Services, but as it turned out, the Commission had to rescind the resolution that awarded them the contract. Mr. Yee stated he did not have time to fully review all of the rankings because the information had just been provided to the Commission and was not comfortable in making a decision. Mr. Yee stated that as a Commissioner, he would not rubber stamp a staff recommendation without having reviewed all of the information beforehand. Mr. Yee put forth a motion to table the item until the first or second meeting of 2006.

President Peterson asked if there was a second to Commissioner Yee's motion.

Commissioner Romero stated he would like to be recognized since he was next to speak on the list of Commissioners requesting to be recognized to speak.

President Peterson stated he had to respond to the motion on the floor made by Commissioner Yee.

Commissioner Singh seconded Commissioner Yee motion's to table the item until the first or second meeting of 2006.

Commissioner Romero put forth a point of order and stated that in order to second a motion, a Commissioner had to be recognized through a recognition system, and he was the next one to speak.

Commissioner Yee objected to Commissioner Romero's point of order, and asked the General Counsel for an opinion. Mr. Yee stated that anyone could second his motion.

General Counsel Morales stated that the Commission's practice had been to allow a Commissioner to second a motion either through being recognized to speak or doing it orally right after a Commissioner had made the motion.

President Peterson stated there was a motion and a second to table the item until the first or second meeting of 2006.

Commissioner Romero stated was speaking against the motion. Mr. Romero stated he understood Commissioner Yee's concerns because the Commission did rescind the resolution that awarded the contract to Personal Protective Services, but there was a big difference with Arc Ecology because Personal Protective Services provided faulty information to Agency staff and that was not the case with Arc Ecology. Mr. Romero stated he had skimmed through the ranking information provided by staff and although it looked like a lot of paper, it was really back-up information for staff's recommendation already contained in the staff memorandum. Mr. Romero stated he was comfortable with voting on the recommended contract because the score sheets by the selection panel indicated a clear winner for a qualified firm with a proven track record. Mr. Romero stated that Mr. Saul Bloom had worked with the Agency for many years and as the Commission heard, there was public support for Arc Ecology not only from members of the Bayview Hunters Point community, but also members of the Citizens' Advisory Committee. Mr. Romero stated he believed the public testimony to be reliable testimony and he would in favor of the proposed contract, and that he would vote against the motion to table because it would be a waste of time as he did not see any evidence of impropriety in the selection and recommendation of Arc Ecology.

Commissioner Breed stated she wanted to acknowledge Commissioner Yee's concerns because she did not like getting information at the last minute as she would not have time to adequately review in order to make an informed decision, but in the case of the proposed contract for Arc Ecology, she believed that staff had provided sufficient information for the Commission to make a decision. Ms. Breed stated that she supported Arc Ecology and was familiar with their work from her previous work at Treasure Island, and that Arc Ecology was reliable and consistent in their outreach. Ms. Breed stated that as a life-long resident of Western Addition, she was not happy with the delays that affect the African-American community, and for Bayview Hunters Point, the community may suffer the same fate as the Western Addition if there was not careful attention and continued diligence on the part of the Agency. Ms. Breed stated she understood that the Shipyard had its own Citizens' Advisory Committee in addition to the Bayview Hunters Point Project Area Committee, and matters such as the proposed contract with Arc Ecology had been discussed in the community, and if there were concerns from the community, they should be

brought before the Commission. Ms. Breed stated there was ample support from the community for Arc Ecology and based upon her familiarity with Arc Ecology's outreach efforts, the Commission should not delay the proposed contract and should move the process forward. Ms. Breed stated that the Agency had a lot of authority under the proposed contract to ensure that if things were not done right, the Agency could stop the payments or even put the contract out to bid again, but she would advise against delaying the proposed contract. Ms. Breed stated that she would apologize to Commissioner Yee, but could not support his motion to table the matter.

Commissioner King stated that as he listened to Vice-President Breed, it was clear that she did not have the knowledge of working on redevelopment activities over the years, and now, there was too much authority from the Commission given to the Executive Director and General Counsel because in the past, the Commission reviewed on an annual basis, every contract that the Agency awarded and did not give three-year contracts, without any checks and balances. Mr. King stated that all contracts used to come back to the Commission every year, and he had lost the battle with giving the authority to the Executive Director to make the decisions on the contracts. Mr. King stated he was certainly opposed to giving out three-year contracts because the Commission did not have the opportunity to do its own review of the contractors that did business with the Agency, and without the annual Commission review, there was no need for a Commission. Mr. King stated that if the staff did all the review and approval, there was no need for Commission meetings and the Commissioners would just be figureheads. Mr. King stated it was a disgrace that the Commissioners would be given last-minute information to read on a matter that was on the agenda, because that did not show respect to the Commissioners. Mr. King stated that he was not against Mr. Saul Bloom because he had known him for many years, but giving the authority to the Executive Director by granting three-year contracts was wrong, and the contract should come back to the Commission every year to make sure of the progress of the work. Mr. King stated he was opposed to the proposed contract on that basis.

Commissioner Singh asked if there would be any harm if the matter was delayed for a couple of weeks.

Executive Director Rosen stated that there was no deadline for the proposed contract, but the community had been anxious for the work to begin. Ms. Rosen stated she wanted to correct the record, that the proposed contract was a one-year contract with two one-year extensions and not a three-year contract, and would have a maximum term of three years, as provided in the Agency's Purchasing Policy that was adopted by the Commission in 1994, long before she became Executive Director.

Commissioner Singh asked why the proposed contract was for three years. Mr. Singh stated he also had the same concerns as other Commissioners with the last-minute information provided to Commissioners.

Executive Director Rosen stated that the proposed contract was for a term of one year, with two one-year extension options, which meant that the Commission would have an opportunity to review the contract and see if the funds would be available, and if the work performance was acceptable. Ms. Rosen reiterated that the proposed contract would be for a term of one year, with two one-year extensions, which would be at the Agency's discretion. Ms. Rosen stated that the Commission had never asked for and staff had never provided the score sheets, and only presented the summary information in the Commission memorandum. Ms. Rosen stated that a member of the public requested the score sheets, and as a courtesy to the Commission, staff provided the same to the Commissioners. Ms. Rosen stated that as Commissioner Romero stated earlier, the summary of the score sheets was provided in the Commission memorandum, and the score sheets did not provide additional information not already contained in the memorandum.

Commissioner Singh asked who the members of the selection panel were, and who appointed the members to the panel.

Ms. Franklin stated that Mr. Sylvester McGuire, the Acting Contact Compliance Manager, Mr. Thor Kaslofsky, a new Assistant Project Manager for the Hunters Point Shipyard, Ms. Amy Brownell and Ms. Stephanie Cushing from the Department of Public Health, Ms. Dorinda Shipman from the environmental firm Treadwell and Rollo, Mr. Scott Madison, the Chair of the Hunters Point Shipyard Citizens' Advisory Committee (CAC), and Maurice Campbell, a member of the Hunters Point Shipyard CAC. Ms. Franklin stated she also sat in the interviews as a non-voting member.

Executive Director Rosen stated that the Executive Director, working with staff, appointed members to the selection panel.

Commissioner Singh stated that he would really like to see the matter tabled so that he could have time to review the additional material provided, and as the Executive Director indicated, there was no deadline for the contract so there should not be a problem with the delay.

President Peterson stated that Commissioner King must have misread the memorandum for the proposed contract, because the proposed contract was what Mr. King stated he wanted, which was a one-year contract, with two one-year options that the Commission could exercise or not. Mr. Peterson stated that there appeared to be some unsubstantiated allegations of a

conflict of interest and some potential non-disclosures, and asked the General Counsel, if in the course of the next year, the Agency found such irregularities in the contract, could the Agency revoke the contract with Arc Ecology.

General Counsel Morales stated that all of the Agency's contracts, with a few exceptions, were written so that the Agency may terminate them without any notice for any reason, and particularly if there were good reasons, and the Agency had the ultimate control of all the contracts.

President Peterson stated he thought that was the case. Mr. Peterson called for a roll call vote on Commissioner Yee's motion to table the matter until the second meeting of 2006.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, TO TABLE ITEM 4 (e) RESOLUTION NO. 206-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ARC ECOLOGY, A CALIFORNIA NONPROFIT CORPORATION, TO PROVIDE ENVIRONMENTAL OUTREACH AND INFORMATION SERVICES TO THE BAYVIEW HUNTERS POINT COMMUNITY FOR A TERM OF ONE YEAR, WITH TWO 1-YEAR EXTENSION OPTIONS, IN AN AMOUNT NOT TO EXCEED \$283,500 PER YEAR, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$850,500; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, TO THE SECOND MEETING OF 2006, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Mr. Romero
Mr. Peterson

AND THE FOLLOWING WERE ABSENT:

Ms. Covington

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, THREE (3) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO TABLE ITEM 4 (e) FAILED.

Commissioner Romero put forth a motion to adopt item 3 (e) and stated that he had not heard any substantive testimony to not approve the proposed contract with Arc Ecology. Mr. Romero stated he heard concerns about getting last-minute information, but those concerns were not valid as far as he was concerned, to delay acting on a matter that the public had come out to support, and Agency staff had reviewed thoroughly and in a proper manner, and had come to the correct conclusion with its recommendation to the Commission. Mr. Romero stated that members of the public who came to testify gave their overwhelming support of the proposed contract, and their testimony was very persuasive and they had valid reasons for asking the Commission to adopt the resolution awarding the contract. Mr. Romero stated he thought there would be harm if the Commission did not adopt the matter that evening, and he was not speaking of the time delay, but harm to the credibility of the Commission because the proposed contract should not be a source of controversy, because the matter had been reviewed thoroughly and there was no valid reason to not adopt the item, and there had been no representation of any false evidence or anything improper and the competition seemed fair and even-handed, in terms of considering the applicants for the contract. Mr. Romero stated that he would be disappointed as the public would be, if the Commission did not adopt the item, because the Agency would have wasted the public's time and money.

Commissioner Breed stated that the Commission meeting had now lasted until six o'clock in the evening, and there remained a number of items on the agenda. Ms. Breed stated that it was unfortunate that the Commission had spent so much time and yet, did not seem to have the votes necessary to approve the proposed contract. Ms. Breed stated that she shared the same concerns as Commissioner King with respect to providing information in a timely manner, but in this particular case, she believed that most of the Commissioners were familiar with Arc Ecology's work and the proposed contract was a one-year contract, with two one-year extensions. Ms. Breed stated that the Commission had previously awarded contracts with similar terms, and she did not want the Commission to appear biased towards one group because there were other contracts listed on the agenda with similar contract terms, which were likely to be approved. Ms. Breed stated she knew that it was not about the group necessarily, but with the staff, the information and communications with the Commission, and the whole appearance of rubber-stamping contracts. Ms. Breed stated that all of the Commissioners were knowledgeable and each would know if it was doing the right thing or not, and agreed that it was a constant battle dealing with Agency staff in obtaining information, but there were also a lot of good things that take place and happen in the communities that the Agency served, and asked her fellow Commissioners to take into consideration the

delay in moving forward with the proposed contract, and know that it was the Commission who determined the direction the Agency would take. Ms. Breed stated that based upon the public testimony heard, she thought it was not fair to the Bayview Hunters Point community given the substantial amount of time and effort they had spent on working on the project, to delay approval of the proposed contract. Ms. Breed stated that it would not be fair to members of the CAC, who had worked so hard, and irrespective of the issues and the staff, there was a need to move forward with the process, and that the Commission really did not have anything to worry about. Ms. Breed stated that the Commission could deal with the communications issue between the staff and Commission at the retreat. Ms. Breed seconded Commissioner Romero's motion to adopt item 4 (e).

President Peterson stated he would be happy to call a recess for everyone's benefit, but particularly Commissioners King, Singh and Yee to provide them with time to review the additional information provided.

Commissioner King called for the question on the motion to adopt item 4 (e).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, TO ADOPT THAT ITEM 4 (e) RESOLUTION NO. 206-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ARC ECOLOGY, A CALIFORNIA NONPROFIT CORPORATION, TO PROVIDE ENVIRONMENTAL OUTREACH AND INFORMATION SERVICES TO THE BAYVIEW HUNTERS POINT COMMUNITY FOR A TERM OF ONE YEAR, WITH TWO 1-YEAR EXTENSION OPTIONS, IN AN AMOUNT NOT TO EXCEED \$283,500 PER YEAR, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$850,500; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Mr. Romero
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING WERE ABSENT:

Ms. Covington

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, THREE (3) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO ADOPT RESOLUTION 206-2005, FAILED.

At this time, approximately 6:10 p.m., the Commission took a five-minute recess.

- 4 (f) Resolution No. 207-2005, Authorizing a Personal Services Contract with Willie B. Kennedy, a sole proprietorship, DBA W. B. Kennedy & Associates, to provide administrative support, outreach and information services to the Hunters Point Shipyard Citizens Advisory Committee for a term of one year, with two 1-year options to extend, in an amount not to exceed \$175,000 per year, for a total aggregate amount: not to exceed \$525,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Laura Luster, Oscar James, Marcia Dale-LeWinter, Scott Madison, Toye Moses

Commissioner Breed stated it was her pleasure to put forth a motion to adopt item 4 (f), and recalled that when she was first introduced to Ms. Willie Kennedy, she was a member of the San Francisco Board of Supervisors, and as part of a high school project, Ms. Breed interviewed her. Ms. Breed stated that Ms. Kennedy was very encouraging and supportive, and was consistent through the years she had known her, with Ms. Kennedy's work with the community, particularly with young people and always did what was right, and was a person of integrity. Ms. Breed stated that Ms. Kennedy was always available and reliable to members of the community and that she really appreciated all of Ms. Kennedy's work and lifetime of public service.

Commissioner Romero stated he was happy to second Commissioner Breed's motion.

Commissioner King stated the same objection he had with the previous item because of the three-year contracts, but he had nothing against Ms. Willie Kennedy, whom he had known longer than anybody.

Commissioner Yee stated he certainly supported Commissioner King's suggestion to award only one-year contracts, without the two one-year extension options, because that was ambiguous.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 207-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH WILLIE B. KENNEDY, A SOLE PROPRIETORSHIP, DBA W. B. KENNEDY & ASSOCIATES, TO PROVIDE ADMINISTRATIVE SUPPORT, OUTREACH AND INFORMATION SERVICES TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE FOR A TERM OF ONE YEAR, WITH TWO 1-YEAR OPTIONS TO EXTEND. IN AN AMOUNT NOT TO EXCEED \$175,000 PER YEAR, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$525,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

At this time, approximately 6:30 p.m., Commissioner Yee departed the meeting.

- 4 (g) Resolution No. 208-2005, Authorizing a Personal Services Contract with C.H. Elliott & Associates, a sole proprietor, to provide real estate consulting services for a term of 1 year, in an amount not to exceed \$40,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 208-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETOR, TO PROVIDE REAL ESTATE CONSULTING SERVICES FOR A TERM OF 1 YEAR, IN AN AMOUNT NOT TO EXCEED \$40,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h) and (i) were presented together and acted upon separately.

- 4 (h) Resolution No. 209-2005, Adopting a Preliminary Negative Declaration and authorizing an Owner Participation Agreement with Baker Hamilton Properties, LLC, a California limited liability company, for the development of a 98-unit, single-room-occupancy residential project at 766 Harrison Street, located between Fourth and Lapu-Lapu Streets (Assessor's Block 3751, Lot 153); Yerba Buena Center Redevelopment Project Area
- 4 (i) Resolution No. 210-2005, Approving a modification to the rear-yard requirement and conditionally approving a schematic design for the development of a 98-unit, single-room-occupancy residential project at 766 Harrison Street, located between Fourth and Lapu-Lapu Streets (Assessor's Block 3751, Lot 153); Yerba Buena Center Redevelopment Project Area

Presenters: Tiffany Bohee, Walter Yanagita (Agency staff)

Commissioner Romero put forth motions to adopt items 4 (h) and 4 (i). Commissioner Singh seconded both motions.

Commissioner Breed asked why the units were so small and if staff had met the minimum requirements for the unit type.

Ms. Tiffany Bohee, Development Specialist, stated that the project was a Single-Room Occupancy (SRO) project and the size of the units was dictated by the Planning Code, which was limited to 350 square feet plus a bathroom. The average size of the units was 332 square feet including a bathroom, with some units at 381 square feet.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT IEM 4 (h) RESOLUTION NO. 209-2005, ADOPTING A PRELIMINARY NEGATIVE DECLARATION AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH BAKER HAMILTON PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF A 98-UNIT, SINGLE-ROOM-OCCUPANCY RESIDENTIAL PROJECT AT 766 HARRISON STREET, LOCATED BETWEEN FOURTH AND LAPU-LAPU STREETS (ASSESSOR'S BLOCK 3751, LOT 153); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 210-2005, APPROVING A MODIFICATION TO THE REAR-YARD REQUIREMENT AND CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR THE DEVELOPMENT OF A 98-UNIT, SINGLE-ROOM-OCCUPANCY RESIDENTIAL PROJECT AT 766 HARRISON STREET, LOCATED BETWEEN FOURTH AND LAPU-LAPU STREETS (ASSESSOR'S BLOCK 3751, LOT 153); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Resolution No. 211-2005, Authorizing a Personal Services Contract with Wagstaff and Associates, a California corporation, for a term of one year, with two, 1-year extension options, for a total aggregate amount not to exceed \$270,000 for three years, to prepare an Environmental Impact Report; Visitation Valley Redevelopment Survey Area

Presenters: Alicia Bert (Agency staff)

Commissioner Romero thanked Ms. Bert for her thorough presentation and put forth a motion to adopt item 4 (j). Commissioner Breed seconded the motion.

Commissioner Singh shared he had read the newspaper article about Visitacion Valley in the San Francisco Examiner earlier in the day.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 211-2005, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH WAGSTAFF AND ASSOCIATES, A CALIFORNIA CORPORATION, FOR A TERM OF ONE YEAR, WITH TWO, 1-YEAR EXTENSION OPTIONS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$270,000 FOR THREE YEARS, TO PREPARE AN ENVIRONMENTAL IMPACT REPORT; VISITACION VALLEY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

- 4 (k) Resolution No. 212-2005, Authorizing a two year and six month Housing Opportunities for Persons With AIDS Rental Subsidy Agreement with the Housing Authority of the City and County of San Francisco for the HOPWA rental assistance program in an annual amount not to exceed \$3,250,000, for a total aggregate amount not to exceed \$8,125,000; Housing Opportunities for Persons With AIDS Program

Presenters: Pamela Sims (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 212-2005, AUTHORIZING A TWO YEAR AND SIX MONTH HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS RENTAL SUBSIDY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE HOPWA RENTAL ASSISTANCE PROGRAM IN AN ANNUAL AMOUNT NOT TO EXCEED \$3,250,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$8,125,000; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (l) Resolution No. 213-2005, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an annual amount not to exceed \$260,000, for a total aggregate amount not to exceed \$650,000, from January 1, 2006 to June 30, 2008, to provide supportive services related to the HOPWA Rental Subsidy Program; Housing Opportunities for Persons With AIDS Program

Presenters: Pamela Sims (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 213-2005, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN ANNUAL AMOUNT NOT TO EXCEED \$260,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$650,000, FROM JANUARY 1, 2006 TO JUNE 30, 2008, TO PROVIDE SUPPORTIVE SERVICES RELATED TO THE HOPWA RENTAL SUBSIDY PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

Items 4 (m) and (n) were presented together and acted upon separately.

- 4 (m) Resolution No. 214-2005, Approving an intergovernmental agreement for reimbursement of Agency administrative fees with the Transbay Joint Powers Authority for the implementation of the Transbay Redevelopment Plan; Transbay Redevelopment Project Area
- 4 (n) Resolution No. 215-2005, Approving a loan agreement with the Transbay Joint Powers Authority for the implementation of the Transbay Redevelopment Plan; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 214-2005, APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR REIMBURSEMENT OF AGENCY ADMINISTRATIVE FEES WITH THE TRANSBAY JOINT POWERS AUTHORITY FOR THE IMPLEMENTATION OF THE TRANSBAY REDEVELOPMENT PLAN; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (n) RESOLUTION NO. 215-2005, APPROVING A LOAN AGREEMENT WITH THE TRANSBAY JOINT POWERS AUTHORITY FOR THE IMPLEMENTATION OF THE TRANSBAY REDEVELOPMENT PLAN; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Oscar James

7. REPORT OF THE PRESIDENT

- President Peterson stated he forgot to mention that one of things that he recalled about his recent visit to China was the quality of architecture, and although they had a different process of approval and financing, everyone on the trip was struck by the exciting and dynamic architecture, which was interesting to the eye, provoking and perhaps even controversial, but not offensive. Mr. Peterson stated that in his opinion, when one looked at the San Francisco skyline, with a few exceptions, it looked drab or uninteresting compared to Shanghai's skyline. Mr. Peterson stated he would encourage his fellow Commissioners to keep a keen eye when it considered development projects in terms of the architectural design. Mr. Peterson stated he would acknowledge that there were some buildings in Shanghai that would not be affordable to build in the United States, just because of the limitations of the market conditions versus state-run conditions in China, but thought that there may be something to learn from the dynamic architecture in China. Mr. Peterson stated that the St. Regis Hotel that Commissioners King, Romero and Singh were involved with, as well as former Executive Director James Morales, was a good example of the kind of architecture that stood out from the typical 40-story rectangle building in San Francisco's skyline.
- President Peterson stated that the Mayor's Office had provided a response regarding the Commission retreat, and requested that the retreat take place in February 2006. Mr. Peterson stated that by the next Commission meeting in January 2006, there would be a date confirmed with all of the Commissioners.
- President Peterson stated that on behalf of all the Commissioners, wished Commissioner Covington their warmest wishes for as happy a holiday and Christmas as possible under the circumstances, and believed that all of the Commissioners would be speaking with Ms. Covington to relay their personal wishes. Mr. Peterson stated that Ms. Covington was missed and had been missed during the past few meetings, and sent Ms. Covington the Commissioners' best wishes.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated she wanted to follow up on President Peterson's comments about the St. Regis, and informed the Commission of John King's newspaper article in the December 14th San Francisco Chronicle, and that he agreed with President Peterson's conclusion that the St. Regis was one of the best new buildings in San Francisco.
- The first regularly scheduled Commission meeting in 2006, January 3rd, had been cancelled, and the first meeting in 2006, would be on January 17, 2006.
- Sheba Lounge: Following Commission action on December 6th, Agency staff sent two days later, correspondence to Sheba Lounge and their attorney, including executable loan documents, pursuant to the loan terms that the Commission prescribed. As of earlier in the day, prior to the Commission meeting, the Agency had not received executed loan documents from Sheba Lounge, and the Commission would be kept informed as to whether they have executed the loan with terms prescribed by the Commission.
- Mayor Newsom gave his second annual report, earlier in the day, on homelessness in San Francisco, where he gave a well-attended address, in which he outlined the City's successes and paid particular attention to several of the Agency's projects, including Mary Elizabeth Inn, which you acted on earlier in the meeting, and the Plaza Apartments, which was renting-up right now. Ms. Rosen stated that the Agency was very gratified to be considered in the Mayor's accomplishments providing support for chronically homeless people.
- Executive Director Rosen shared that she had been speaking with Mrs. Mary Rogers every few days, and although she attended the Western Addition CAC meeting the previous week, she was trying to limit her activities to conserve her energy. Ms. Rosen stated she would like to send Mrs. Rogers, on behalf of staff and Commissioners, best wishes for a healthy and a happy new year.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed stated she appreciated and thanked her fellow Commissioners for their confidence in her to serve as the Commission Vice-President. Ms. Breed stated that she wanted to let Commissioner King know that she knew how important the retreat was, and that she would work more closely with President Peterson in setting the agenda

for the retreat in order to develop a retreat that would deal with the issues the Commission needed to deal with. Ms. Breed stated she wanted to state for the record, that there really needed to be a discussion about the relationships between the staff and the Commission, and there should be a serious discussion about how Commissioners treat one another especially in public, because as appointed Commissioners for the purpose of serving the public, there should be more respect with how Commissioners treat one another, and those are matters that would be addressed at the retreat as well. Ms. Breed stated that every Commissioner was entitled to his or her opinion, and would do what was in the best interest of the public, and thought that no one should be criticized or questioned about the decisions they made, and every Commissioner was entitled to make whatever decisions they chose. Ms. Breed stated she looked forward to the retreat and would make the commitment to help make it a productive retreat. Ms. Breed stated she wanted to thank Mrs. Mary Rogers and Ms. Mary McCue, who at the last minute, stepped-up to the plate with the holiday lighting, when for whatever reason, the selected contractor withdrew. Ms. Breed stated that with the permission of Mrs. Rogers as the Chair of the CAC, Ms. Mary McCue and her crew stepped-up and installed the Christmas tree and lighting along Fillmore Street. Ms. Breed stated that maybe a thank you card could be sent to both Mrs. Rogers and Ms. McCue to let them know that the Agency appreciated their efforts.

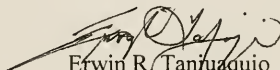
- President Peterson stated that like Commissioner Breed, he was very honored to continue to serve as Commission President, and appreciated the faith and support of his fellow Commissioners. Mr. Peterson stated he looked forward to serving in the new year.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:11 p.m.

Respectfully submitted,


Erwin R. Tanjauquio
Agency Secretary

APPROVED:

January 17, 2006



